Tragic Toll of the Kobe Quake Keeps Rising

KOBE, Japan - The death toll from the earthquake in Western Japan rose above 4,000 Thursday, which made it the country's deadliest in more than 70

The number of people seeking refuge in gymnasiums, schools and other relief centers reached 270,000 by Thursday night. They were still suffering in frigid temperatures from shortages of food. water, heating and sanitary facilities. Fire fighters, who had brought all of the 250 major hlazes caused by Tues-

day's earthquake under control, faced as many as 90 new fires in damaged huildings. They were set off hy power surges and by rescuers' digging through rubble to search for victims.

Residents of Kobe, the city hit hardest hy the quake, accused the government of

dragging its feet in providing aid.

"What does he mean "you've had a hard time?" a woman said after Prime Minister Tomiichi Murayama visited her refugee cenier, a Kobe school. "He should actually do something about

4.047 early Friday morning. The toll was the worst in Japan since the 1923 earth-quake that killed 142,000 people in To-kyo and Yokohama and left more than 2 million homeless.

The Kobe quake injured 21,671 people and 727 were still missing, a spokesman for the National Police Agency said. About 30,000 huildings were heavily damaged or destroyed.

Criticism grew that authorities were unprepared for the disaster despite the

country's long experience with earth-quakes. Defense and police officials rushed more personnel to the area.

After inspecting the damage in Kobe, Mr. Murayama said, "I bave seen noth-ing like it. This is far beyond anybody's imagination.

Mr. Murayama's promises that belp was on the way left some in Kobe unmoved. "I want to see tap water, not Murayama," said a man scooping water from a fountain. A sign on the fountain

See QUAKE, Page 10



Refugees from the Kobe earthquake crowding into a school gymnasium Thursday. More than 270,000 people packed into makeshift shelters.

Tokyo, Stunned by Tragedy, Wonders if It Will Be Next

By Nicholas D. Kristof

transfixed by the horrifying images of toppled buildings and raging fires fol-lowing the earthquake Tuesday, the question was: What if it had happened in

Tokyo? Earthquakes are relatively uncommon in Western Japan, where the devastating temblor Tuesday morning was centered. but seismologists have been warning for years that the Tokyo area should be prepared for a severe quake. Suddenly such warnings are being taken much more seriously.

"What if this earthquake had happened in Tokyo?" Japanese television

The Tokyo Shimbun offered an answer in a banner neadline: "A 7.2 magni-TOKYO - With the Japanese public tude quake in Tokyo would kill or injure objudu people.

Many such estimates of casualties in

the event of a Tokyo quake are making Road, rail and port repairs are expected to cost billions and take years. Page 4.

The devastation is likely to put upward pressure on interest rates. Page 11. the rounds, and they vary enormously.

But there is little doubt that a severe quake in Tokyo, with its metropolitan population of nearly 30 million - a quarter of Japan's total - would be an

extraordinary catastrophe. Tokyo is in an active earthquake zone, and the last great quake in the area, in 1923, killed 142,000 people. The inferno triggered by that quake destroyed much of the Tokyo-Yokohama area and left more than 2 million homeless.

That guake and fire are still seared on the public's consciousness, and today's safety standards were designed with the intentinn that buildings and bridges could withstand a quake of similar mag-nitude, about 7.9 on the Richter scale. But the collapse of hridges and elevated highways in the city of Kobe in this week's more modest quake, which Japanese scientists measured at 7.2, has raised doubts about the standards.

"We must clarify what caused such devastating damage to bridges in Kobe," said Yasuyuki Koga, an official in the

Construction Ministry. "On that hasis, we can re-examine the existing bridges in other areas."

"What would happen in Tokyo if a great earthquake happened here?" Mr. Koga asked, "It's a very important question that concerns many people, but I don't have an answer.

The delays in fighting fires and arranging relief shipments in Kobe also prompted doubts about whether Tokyo was as prepared as it thought.

"The lack of water and other supplies caused great anxiety," said Yuriko Koike, a member of the Parliament who has just returned from Kobe. "This quake has given us a great lesson in the

See TOKYO, Page 10

No Trace of Peace in Bosnia's Cease-Fire

By Roger Cohen
New York Times Service

SARAJEVO, Bosnia-Herzegovina -Like its more than 30 predecessors, the cease-fire that took effect this month in Bosnia is slowly unraveling because the killing cannot be stopped while the political will to find a settlement is absent.

For example, the Serbs flew close to 20 helicopter sorties Wednesday to resupply positions just west of Bihac, where Musim-led government forces have taken the villages of Vedro Polje and Klokot in a counteroffensive begun after the cease-fire took effect on Jan. 1.

Paul Risley, a spokesman for the United Nations in Sarajevo, said the Serbian sor-ties were "a clear violation of the no-fly zone over Bosnia." The helicopters took off from the Udbina airfield in the adjacent Serhian-held part of Croatia, where NATO has also banned military flights.

The sorties appear to signal a Serbian determination to retake the two villages.
NATO bombed the runways at the Udbina airfield in November but spared the Serbi-

NEWS ANALYSIS

an aircraft taking off from there at the insistence of UN commanders.

Since then, the prospects for any military involvement by the North Atlantic Treaty Organization in the Bosnian war have evaporated, and the latest Serbian flights predictably prompted no response. The Serbian sorties and the earlier gov-

ernment offensive illustrated the way the Muslim-led government and the Serbs are preparing for more war rather than considering options for peace.

Moreover, the absence of any international response illustrates the complete disarray of peacemaking efforts.

Already, the ambitious so-called "cessation of hostilities" accord signed on Dec. 31 has frayed to the point where it is little more than a tenuous cease-fire, much like its ephemeral predecessors in the 33month-old war.

Under the terms of the four-month agreement, utilities were supposed to he restored, but Sarajevo was virtually without gas Wednesday in temperatures well below freezing. Sniping was supposed to stop, hut a young boy out sledding in the capital was shot and wounded by a Serbian

See SARAJEVO, Page 10

Fighting intensified in the mainly Muslim Bihac region of Bosnia. Page 2.

Kiosk

EU Body Backs Talks on Algeria

STRASBOURG, France (AP) — The European Parliament on Thurs-day backed a peace initiative by Alge-rian opposition groups and called on the government in Algiers to reopen talks to end a bloody civil war.

The body, representing the 15 nations of the European Union, "welcomed" the results of the talks last week in Rome, where the main opposition groups participated, including the Islamic Salvation Front.

The talks in Rome produced a list of demands, including the release of top Front leaders and other political prisoners, and lifting of a state of emergency that authorizes tough lawand-order measures. The government rejected the opposition proposal.

International Classified

Russians Capture **Grozny Stronghold**

Yeltsin Says Battle Is Almost Over After Presidential Palace Is Taken

By Lee Hockstader

GROZNY, Russia - Vastly outnumbered and badly outgunned, several hun-dred Chechen fighters on Thursday relinquished control of the presidential palace here, the stronghold from which they had held off a ferocious assault by thousands of Russian troops for nearly three weeks.

The last Chechen fighters left the 11story palace after the huilding was rocked by a pair of gigantic Russian bombs that penetrated to the basement hospital, kill-ing dozens of Chechens and wounded Russian prisoners. Hours after the Chechens slipped out of the palace under cover of darkness, the Russians moved in and hoisted their flags over the shell-shattered building in central Grozny, Moscow an-

In Moscow, President Boris N. Yeltsin declared the military stage of the battle against Chechnya "practically complete." He said that the process of pulling out the army and having Interior Ministry troops take over would soon begin.

Mr. Yeltsin said that "conditions are now heing created for the transition from armed confrontation to restoring peaceful life in Chechnya within the Russian federation." He added, "Transition to the stage of civil construction and restoring constitutional order hegins."

Mr. Yeltsin's statement offered condolences to the families of servicemen and civilians killed in the fighting and said the government would now "take all measures to do away with the aftereffects of the economic ruin and supply the population with all it needs for normal life," It also promised to provide "complete protection

of human rights."

But Mr. Yeltsin on Thursday also signaled his intention to get tough with those who did not support him in his decision to oust the Chechen leader. Dzhokar Dudayev, by force. The Russian news agency Interfax, quoting a high-ranking military source, reported Thursday that Mr. Yelisin had signed a decree transferring Colonel General Eduard Vorohyev from his

post into the army reserves. General Vorobyev, first deputy com-

mander of Russia's land forces, had refused to head up the Chechen operation last month because he felt the troops were unprepared. General Vorobyev had asked to resign at the time and was turned down. He was one of several senior military commanders who have criticized the Chechen

Earlier this week, Russia's acting prosecutor general said General Vorobyev was one of several high military officials being checked for failing to obey orders.

With the collapse of resistance in the residential palace, Moscow also seemed in no mood to hargain in any way with Mr. Dudayev. Prime Minister Viktor S. Chernomyrdin, who just two days ago was meeting with a Chechen delegation to dis-cuss the possibility of a cease-fire, on Thursday bluntly ruled out any further negotiations with Mr. Dudayev.

'I do not talk to gangsters," he said, For the Russians, taking control of the palace was a symbolically important victory after weeks of heavy casualties and humiliating stumbles and setbacks. But the rehels, who have insisted on their independence from Moscow since 1991, vowed to continue the fight in the southern parts of the city that they still control as well as in the Caucasus Mountains to the south.

High-ranking Chechen commanders said Thursday evening that they had simply shifted their forces south hy a mile or so in a tactical retreat within Grozny.

"We haven't left the city and we'll never leave the city," Akhmed Zubhadjieyev, 27, acting chief of the Presidential Guard, said in an interview at his home just outside Grozny's city limits, from which the dis-tant sound of heavy explosions could still be heard Thursday afternoon.

"We would have had huge losses if we'd stayed in the palace," he said. "We just couldn't fight from there any longer."

Mr. Dudayev, a former Soviet Air Force eneral, was not in the palace when it was abandoned by the Chechens. Last seen in public a week ago, he is believed to be alive and accompanied by his personal body-

See GROZNY, Page 10



A Chechen fighter walking past a burning building in Grozny on Thursday.

Nuclear No' Sours Egypt-Israel Relations

By John Lancaster and Barton Gellman

Washington Post Service CAIRO — After years of diplomatic partnership hetween Egypt and Israel, re-lations between the two countries have soured noticeably in recent months over Israel's refusal to sign the Nuclear Nonproliferation Treaty.

Egypt and other Arab countries have said that if Israel does not sign the accord, they will refuse to extend their participation in the weapons-control treaty when it comes up for renewal in April.

With attacks mounting against Israel in

Newsstand Prices	
Andorra9.00 FF Antilles11.20 FF Antilles11.20 FF Cameroon1.400 CFA EgyptE.P. 5000 Egypt9.00 FF Soudi Arabio9.00 R. Gobon960 CFA Greece350 Dr. Italy	The New DM Pour Yen

official statements and the governmentcontrolled Egyptian press, the intensity of the Egyptian campaign has alarmed Israeli leaders. The Israelis say they fear it could deal a setback to their efforts to resolve the Palestinian issue and achieve normal relations with their Arab neighbors.

["There is a problem between Egypt and Israel," Reuters quoted Foreign Minister Amr Moussa of Egypt as saying Thursday. "This problem must be tackled with objections." tivity and with firmness."

["Egypt will clarify its position on the Nuclear Nonproliferation Treaty at the right time," he said. "Egypt will take the

Dow Jo Down 46.77 3882.2		Down 0.26% 110.70
The Dollar	Thurs, close	previous close
DM	1.515	1.5342
Pound	1.586	t.5693
Yen	99 05	99.618
FF	5.2495	5.3025

position needed to preserve Egyptian interests."]

More broadly, the dispute highlights continued mistrust between Israel and moderate Arab countries, despite the 1978 Camp David peace accord between Israel and Egypt and Israel's more recent signing of separate treaties with the Palestine Liberation Organization and Jordan.

Although Israel has never acknowledged having a nuclear weapons program, it is widely believed to possess about 200 nn-clear devices. Israeli officials, defending their decision not to sign the weapons accord, emphasize a threat from Iran.

Arah diplomats warn that if Israel fails to join their countries in renouncing nuclear weapons, it could set off a new arms race in the region as Arah governments emhark on nuclear programs of their own. The noise level escalated sharply this

week. Members of Egypt's Parliament de-nounced Israel in speeches, a parliamenta-ry committee agreed on a statement accusing Israel of overt hostility to Egypt, and a Foreign Ministry official declared that

See TREATY, Page 10

Argentines Fight AIDS and the System

By Calvin Sims New York Times Service

BUENOS AIRES — "AIDS: For Love, Use a Condom," read graffiti scrawled across walls in almost every neighborhood of this city.

The spray-painted message may be the most effective weapon yet against AIDS, which government officials here say has reached dire proportions.

But oddly enough, the government wants nothing to do with the graffui slogan. It was written by scores of teenage students who went on a graffui-writing rampage last year, scribbling the message on every available wall they could find.

The youths said they were frustrated hy the refusal of the government to use the word "condom" in its AIDS prevention campaign.

"We had to do something because our friends and lovers are becoming infected and dying because the government is too prudish to even mention the very device that can save them," said Baltizar Alvá-rez, a 17-year-old student.

Concepción Mateo, 16, wbose brother died of AIDS two years ago, said she had written the slogan on at least 20 walls across the city.

The police arrested her last year while she was writing on a building in the fashionable Recoleta district, she said. "but they let me go after I cried and told them that my brother would be alive today if he had used a condom."

Nongovernmental AIDS groups and AIDS activists here fault the federal government for running what they say is an anti-AIDS campaign straight out of the Middle Ages because it does not mention condoms. Instead, the campaign focuses on informing the public about modes of The critics say they believe the federal

government has bowed to pressure from the Roman Catholic Church not to promote condom use openly.

"The church weighs in very heavily in this country," said Linda Sassoon, coordinator for the Huesped Foundation, a privately financed organization that provides counseling and other services for people with AIDS and their families.

church considers you a degenerate, so the government's response is not to talk about them." she said. But Ms. Sassoon said the fault lay not

"If you talk about condoms, the

only with the government and church. "I See GRAFFITI. Page 10

Bosnians and Rebels

UN Reports Fighting in Bihac

Bosnian government front lines

UN efforts to push forward

with the truce have faltered.

Neither the Bosnian govern-

ment or its Serbian foes seem

ready to compromise and fight-

ing has broken out in areas that had been quiet for months.

in areas where the cease-fire

was being observed, it was probably largely because of the

frigid weather oow gripping much of Bosnia.

■ Croat TV Chief Resigns

Croatian officials said Thurs-

day that a hard-line nationalist

in charge of state-run radio and

television had resigned from

one of the most influential jobs

in the country, The Associated Press reported from Zagreb.

Vrdoljak, apparently under

pressure, seemed partly to re-

flect President Franjo Tudj-man's displeasure over televi-sion (ootage showing him after apparently having one drink

Independent polls list Mr.

Vrdoljak, a member of Parlia-ment and of Mr. Tudjman's

party, as one of Croatia's least-

The final blow appeared to

be a television report on how

Mr. Tudiman celebrated New

Year's Eve, showing what appeared to be a slightly inebriated president dancing away the early hours in elite disco.

made until next week, adminis-

tration officials said, noting that William J. Crowe Jr., a re-

tired admiral who bad also been

mentiooed, had indicated that

be would prefer to remain am-

being considered, the officials

said, is Senator William Cohen,

Republican of Maine, a former

vice chairman of the Senate Se-

lect Committee on Intelligence.

But Mr. Cohen bas said he has

Others mentioned are Jamie

Gorelick, the deputy attorney general, Admiral William A. Owens, vice chairman of the

el R. Berger, deputy national

The officials cautioned that

information about the search

was being tightly beld. Some

said they suspected that only

Mr. Clinton, Mr. Panetta, Vice

President Al Gore and W. An-

thooy Lake, the oational securi-

ty adviser, knew precisely wbo

was under consideration.

security adviser.

no plans to leave the Senate.

Among the candidates still

bassador to Britain,

too many.

Front-Runner Shies

of the Massachusetts Iostitute Joint Chiefs of Staff, and Samu-

From CIA Position

liked politicians.

The resignation of Antun

Western diplomats said that

in the Bihac enclave.

And on Several Other Fronts

Intensify Clashes

SARAJEVO, Bosnia-Herze-

govina — Fighting intensified Thursday in the mainly Muslim

Bihac area in northwest Bosnia.

lo addition, Serbian and Mus-

lim-led government forces trad-

ed fire in several other areas

across Bosnia, the United Na-

A UN spokesman in the Croatian capital of Zagreb, Lieutenant Colonel Christian Le-

vaudel, said there was increased shelling around a UN base near Velika Kladusa in the Bihac

"More than 400 detonations

were recorded but we do not

koow who started it because we

have no freedom of move-

Bosnian government troops have battled rebel Muslims sup-

ported by Croatian Serbian

troops since the Muslim-led

army began an offeosive in the

Muslim forces loyal to a Ser-bian-backed rebel Muslim lead-er, Fikret Abdic, seized the

town of Velika Kładusa, the

second largest in the area, three

Neither rebel Muslim nor Croatian forces have signed a

four-month cease-fire agreed to

by Bosnia's main warring par-

The Uoited Nations ex-

pressed concern at reports that

rebel Serbs from the Krailna

region of Croatia were moving heavy weapons south toward

By Douglas Jehl New York Times Service

Deutch, the deputy defense sec-

retary and once regarded as the

froot-runner to become director

of central intelligence, has ex-

pressed serious reservations

about taking the job, leaving the White House to widen its

Associates said that Mr. Deutch was reluctant to give up

his policy position at the Penta-gon. They said he also had con-cluded that because of academ-

ic sensitivities about the CIA,

his serving as its chief could prevent his becoming president

of Technology, where he was

described Mr. Deutch as an ide-

al candidate to succeed the for-

mer director, R. James Woolsey

Jr., who abruptly resigned last

month. But aides to President

Bill Clinton said that while Mr.

Deutch's decision had compli-

cated their search the president

would not try to persuade him

At the same time, officials

said it oow appeared unlikely that Erskine Bowles, the con-

sensus choice to succeed Robert

Rubin as head of the National

Economic Council, would be

Bowles had done such a good job as deputy White House chief of staff for operations that

Leon E. Panetta, the chief of

staff, did not want to lose him.

The officials said the job of co-

ordinating administration eco-

nomic policy might instead go

to Laura D'Andrea Tyson,

chairman of the Council of Eco-

in addition to these vacan-

nomic Advisers.

tration positions.

The officials said that Mr.

installed in that post.

White House officials bad

provost.

to reconsider.

WASHINGTON - John M.

pocket.

ment," he said.

area last November.

weeks ago.

ties on Dec. 31.

unless general elections were set for June. The Communist Re-Establishment official, Luciano Pettinari, said the leadership had voted, 26 to 14 with four abstentions, in support of a document "repeating its opposi-

ROME - The leadership of the Commu-

nist Re-Establishment Party voted narrowly

Thursday to oppose the new government of Prime Minister Lamberto Dini in parliamentary confidence motions, a senior party offi-

The party could hold the key to wbether Mr. Dini wins or loses two confidence votes

vital to his government's survival after the Freedom Alliance of Prime Minister Silvio

Berlusconi said it would oppose Mr. Dini

Mr. Dini has pledged to pass limited re-

for only a few months as insufficient and

ance criticized his promise to stay in power

Mr. Berlusconi, who resigned as prime minister Dec. 22, repeated threats that unless a date was set for elections, the coalision of ightist parties he leads would not support Mr. Dini's government.

Mr. Dini's cabinet of professors and tech-

nicians will face an important test early oext week in mandatory votes of confidence that his government must win in both bouses of

Mr. Dini, who was treasury minister under Mr. Berlusconi, tried to win the Freedom Alliance's support Wednesday by saying he would step down within a few mooths.

"What Dini said yesterday was certainly not enough," said Gianfranco Fini, the leader the neofascist National Alliance and Mr.

In Spanish **Terrorist Inquiry**

Mr. Sancristobal is the most senior of four former security officials whom Judge Garzón has ordered held in connection with his inquiry of the Ann-terrorist Liberation Group, or GAL, whose members killed 27 alleged Basque separatists be-tween 1983 and 1987.

cis Serra Serra refused to comment on Mr. Sancristobal's claims. He repeated the govern-ment's denial of involvement in the terrorist group and its com-mitment to work with the

and that ludge Garzon had "witbout any doubt taken

WORLD BRIEFS

Group Again Vows to Kill Americans

ANKARA (Reuters) — A group calling itself the "Lebanon Freedom Fighters" repeated a threat on Thursday to kill a U.S.
military officer and his son if Israel did not release a top pro-

runtary officer and his son it israel did not release a top pro-franian guerrilla. The two have been missing since Sunday, when they disappeared on a skiing trip west of Ankara.

The hunt for Lieutenant Colooel Mike Couillard, 37, and his 10-year-old son Matthew continued despite five days of fruitless search in heavy snow. "We have by no means given up hope," said a U.S. Embassy official involved in the search.

Privately, analysts doubted the group's assertion that it held Colonel Coullard and his son, saying the two probably suffered a skiing accident. One called the claims "amateurish."

Balladur Would Maintain Assembly

PARIS (AP) - Prime Minister Edouard Balladur, leader of the conservative Rally for the Republic party, said Thursday he would not dissolve the National Assembly if he were elected president

this spring.

Mr. Balladur's party is a member of the conservative coalition

577-ceat assembly since Mr. Balladur's party is a memoer of the conservative coalition that has held a wide majority in the 577-seat assembly since trouncing the Socialists in the legislative elections two years ago. France's presidential elections are scheduled for April 23 and May 7. The second vote will be held if no candidate wins a majority in the first round. Mr. Balladur, who formally entered the race Wednesday, said be would announce his campaign platform in February. platform in February.

Smallpox, Due to Die, Gets Reprieve

NEW YORK (NYT) — The smallpox virus got an unexpected stay of execution Wednesday from the governing board of the World Health Organization. The last known stocks of the deadly virus were to be destroyed in June, but the latest decision puts off its demise for at least a year, and perhaps indefinitely.

In 1980, after a worldwide vaccination program; the WHO declared the eradication of natural smallpox, one of the biggest willers in history. But samples of the wints have been from forcer in

killers in history. But samples of the virus have been kept frozen in laboratories in the United States and Russia.

All three committees of experts asked by the UN agency to review the future of the samples recommended destruction once the molecular structure of three strains was mapped. That was completed, and destruction was initially planned for December completed, and destruction was mittary planned for December 1993. But because of a growing sentiment that further research on the virus could be beneficial in studying other infections and possibly even cancer, the organization delayed that execution:

France to Widen Inquiry of Carlos

PARIS (Reuters) — France is to widen its investigations of the accused terrorist Carlos to include the 1983 bombing of a Marseille-to-Paris high-speed train, French justice sources said Thurs

Carlos, who was caught in Sudan last August, spirited to France and jailed, has already been formally placed under investigation for four bombings in the 1980s and a 1974 blast at a shop in Pans's Saint-Germain district.

In the December 1983 attack now under investigation, two people died when a bomb exploded as the train spect past the southern town of Tain-l'Hermitage, the sources said. An antiterrorist magistrate, Jean-Louis Bruguière, suspects Carlos of murder, attempted murder, destruction of property by explosives and aiding and abetting the train bombing, the sources said.

Rebels Kidnap 15 in Sierra Leone

FREETOWN, Sierra Leone (AFP) - Suspected rebels kidnapped seven Europeans, an Australian and seven Sierra Leoname working for a Swiss-owned mining company in southern Sierra Leooe, the company announced Thursday.

Diplomatic sources and local journalists said earlier that 10 Europeans had been abducted Wednesday after days of fierce.

fighting between rebels and government troops in the Mokanji

Hills region where the mine is situated.

The kidnappings are the latest in a number of abductions in Sierra Leone in recent months.

Protesters Slow Down Mexican State

MEXICO CITY (AFP) - Spreading protests brought activity to a halt Thursday in the oil-producing state of Tabasco and threatened to deepen Mexico's turmoil caused by a moothlong

Demonstrators blocked the four main roads to the capitality Villahermosa, airline flights were suspended and half of the stores: banks and schools shut down in a vast movement of support for the governor, Robert Madrazo.

The unrest follows President Ernesto Zedillo Ponce de Leòn's decision Tuesday to bold talks with opposition parties over allegations of fraud in gubernatorial elections in the states of Tabasco, Chiapas and Veracruz. Local leaders of the Institutional Revolutionary Party have called on Mr. Zedillo to respect the result of the August elections, won by Mr. Madrazo.

Luxembourg Names New Premier LUXEMBOURG (Reuters) — Finance Minister Jean-Claude

Juncker became Luxembourg's youngest prime minister with his approval on Thursday by the ruling Social Christian Party. He will be formally sworn in on Friday by Prince Jean, the grand duke of Luxembourg.
Mr. Juocker, 40, had been widely expected to succeed Jacques

Santer, who has become the European Commissioo president! Like his predecessor a strong supporter of European integration. Mr. Juncker has led a campaign to expand Luxembourg's role in Europe beyond that of a financial center.

SAS to Lock Out Pilots for Two Days

TRAVEL UPDATE

COPENHAGEN (Reuters) - SAS on Thursday announced it would lock out pilots io its SAS Commuter service on Jan. 26 and 27 as a pay dispute escalated.
The pilots for the SAS Commuter service, which operates about

10 percent of SAS flights, went oo a 24-bour strike on Jan. 9 after negotiations on pay, pension and insurance agreements broke down in Oslo earlier this month. The pilots want a salary increase of more than 3 percent for 1995.

The owners of the liner Achille Lauro, which sank off the coast of Somalia last month, said Wednesday that they had bought the Cunard Princess as a replacement. The Naples-based StarLauro company paid 60 billion lire (\$37 million) for the vessel, which will be renamed Rhapsody.

The price of a ride on Moscow's subway system will rise on

Friday, from 400 rubles (10 cents) to 600 rubles. The increase is the second in a mooth; the fare went up from 250 rubles on Dec.

Big Ben, the clock that towers over Britain's Parliament, has gone green. The four faces of the central London landmark are now lighted by special energy-efficient bulbs.

Pregnant Pause: 95 Days Separate Twins at Birth

The Associated Press

NEW ORLEANS — A girl has been delivered in a New Orleans hospital a record 95 days after her twin brother was born, hospital officials said.

Celeste Keys was doing well Thursday after being born at full term a day earlier, but her brother Timothy, who was 15 weeks premature when he was born Oct. 15, is at risk for neurological problems such as learning disorders and mild cerebral palsy, doctors said.

Celeste's birth weight of 5 pounds, 15 ounces (2.85 kilograms) is 13 ounces more than her older twin's current weight. Doctors generally want to prevent premature births because of the riska to both mother and child. But when the twins' mother. Simone Keys, went into labor Oct. 11, doctors were able to delay Timothy's birth only a few days.

Doctors said the 95-day period between the births is the longest in which all babies in a multiple pregnancy survived. The previous record, 56 days, was for twins born in 1953 to a woman with a double uterus.

Charges Fly

MADRID - Spain's political crisis heated up Thursday after a jailed former security chief accused a high-ranking judge of plotting to topple the government of Prime Minister

Felipe González. Julian Sancristobal, former director of state security, spoke on national television from his prison cell Wednesday to ac-cuse Baltasar Garzon, the judge heading an investigation into alleged official involvement in a secret war against Basque separatists in the 1980s.

Mr. Sancristobal's statements, which brought angry reactions from opposition politicians, gave a new twist to a saga that has thrust Spain into its gravest political crisis in 12 years of Socialist rule and sent

financial markets spinning. Deputy Prime Minister Nar-

courts to clarify the matter. Judge Garzon did oot respond to Mr. Sancristobal's accusations.

In his television interview,
Mr. Sancristobal said he had
evidence the GAL investigation

was being used for political ends by a group of people headed by a "Mr. Z."

He said the group was acting "with the aim of eroding and overthrowing" Mr. González,

Berlusconi's most important ally. Mr. Berlusconi commented: "We'll only forms and then resign to make way for early But leading members of the Freedom Allivote in favor if we get what we want." Jab at Major: Dissidents Seek EU Reform

Foreign Minister Alain Juppé of France in Rome on Thursday with his Italian counterpart, Susanna Agnelli, newly appointed by Prime Minister Lamberto Dini.

Communists Vow Opposition as Right Tightens Conditions

Italy's New Leader in a Vise

LONDON -- Conservative rebels deepened the divisions in Britain's governing party Thursday by challenging Prime Min-ister John Major to consider their demands for sweeping reform of the European

The demands, including abandoning the EU's farm policy and any idea of a single currency, amounted to another snub for Mr. Major, hours after the rebels tried to erament in a vote on EU fishing policies.

Eight of nine rebels who were expelled from the parliamentary party last month for defying Mr. Major called a news conference at the House of Commons to offer their proposals.

The rebels, cootending that the government had lost touch with public opinion over Europe, said their "Euroskeptic" agenda was intended to be a constructive contributioo to debate before the review of

the Treaty oo European Union scheduled Major, who had beld out olive branches to

for next year.
"Unless the Conservative Party gets its policies right on Europe, the Cooservative government will oot be re-elected at the next geoeral election," said Tony Marlow. one of the rebels.

Although the demands were largely at odds with established government policy, the rebels said they were not trying to undermine the government, let alone bring

"They are oot in any sense conditions or demands," said Sir Teddy Taylor, another member of Parliament. "There is a serious crisis for our democracy and something Opposition parties said the manifesto

has to be done. proved the rebels were "a party within a party" and underlined the internal divi-

sions in a party headed by an increasingly

isolated prime minister. The manifesto is a clear blow to Mr.

The rebels complained that the EU was draining more and more constitutional power from Britain to Brussels, threatening the survival of Britain as a political

should therefore be to seek a substantial repatriation of decision-making." the statement said. "If such an endeavor should prove to be impossible, our national aim should be to seek a separate rela-

the rebels in the hope that they would

rejoin the parliamentary party sooo and

restore a semblance of unity to the Conser-

vatives, who are badly trailing in opinioo

tionship with the EU, possibly on the basis of free trade and friendship only." "We should also make it clear," it added, "that the U.K. will in oo circumstances

agree to further EU funding until progress

European Union.

In 1973 he took over the eco-

nomic and financial affairs

portfolio, and io 1980 became

foreign affairs commissioner.

tack Tuesday at his farm in

Adolf Butenandt Is Dead, Pioneer in Sex Hormones Economic Community, now the

By David Binder New York Times Sernce

Adolf Butenandt, 91, a German scientist whose piooeering work on sex bormones earned him the Nobel Prize in Chemistry in 1939, died Wednesday in Munich after a long illness, The Associated Press reported.

His work in isolatog and opened the way to a profound understanding of their role in human sexuality and reproducoon and made possible the development of birth control pills.

cies, two other top posts, White House political director and cabinct liaison, remain unfilled, underscoring the difficulty Mr. Clinton has had in choosing people for important adminisin Zurich. Dr. Butenandt he of sows. was not able to accept the gold medal and diploma until 1949. A decision on a new intelligence chief will probably oot be

The Nazis blocked six Germans from accepting Nobel awards after the Nobel Peace for the development of birth for Biochemistry, from 1945 to Prize for 1935 was awarded to Carl von Ossietzky, a leading German journalist and pacifist, who had been sent to a Nazi concentration camp.

Dr. Butenandt studied chemistry, biology and physics, at the synthesizing several hormones universities of Marburg and Göttingen. On the basis of their work.

Dr. Butenandt and Dr. Ruzicka were able to synthesize testosterone, the hormone that stimu-The Nazi government com- lates the development of maspelled Dr. Butenandt to decline culioe characteristics. Dr. the Nobel Prize, which he Butenandt isolated a second, fe-shared with Leopold Ruzicka, a male, hormone, progesterone, oative of Croatia who worked using extracts from the ovaries

control pills.

Later he conducted research on viruses, cancer and insecticides. His work on insects led to his discovery, with Erich Hecker, of the first crystallized pheromone, an attractant, in Wilhelm Haferkamp, 71, combykol, the sexual substance Held EEC Executive Posts of the silkworm. Dr. Butenandt felt the impact

of the Nazis on his career early. He was compelled to reject an offer to teach at Harvard in 1935, although he was allowed to accept a three-month fellowship from the Rockefeller Foundation that year.

His discoveries about the ser Wilhelm Institute of Bio-sibility for energy policy in the became the company's t2th structure of sex hormones led to chemistry io Berlin from 1936 executive body of the European president and CEO in 1967.

1960.

Max Planck Society, supervising the postwar rebuilding of German science, until 1972.

He then was president of the

Haferkamp, 71, a German member of the European Commission from 1967 to 1984, died Wednesday in a Brussels hospital, the Hamburg city government announced.

Mr. Haferkamp, an econo-But he was given presugious mist and a center-left Social positions. He directed the Kai- Democrat, initially had respon-

He later represented the federal states of Hamburg and Schles-

BONN (Reuters) - Wilhelm

wig-Holstein in Brussels. George Hartley, 82, the last white speaker of the Rhodesian Parliament, died of a heart at-

southern Zimbabwe. Charles B. McCoy, 85, a former chief executive of the Du-Pont Co., died Monday in Greenville, Delaware, of complications from Alzheimer's disease. Mr. McCoy, who worked for DuPont for nearly 50 years.

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Herald Eribune

Motherhood Is Women's 'True Role,' Pope Says

By Alan Cowell New York Times Service SYDNEY - Nearing the end of bis 11-day odysscy through Asia and Oceania. Pope John Paul II sought Thursday to quell a debate among Roman Catholics here over the ordination of women and said women's role in society was specially tied to mother-

Accusing his many feminist critics of misunderstanding the

Havry's Bar just telt the taxi driver. 'Sank roo doc noo" .. 5, rue Daunou Paris (Opéra) Tel.: (1) 42.61.71.14

that "the church stands firmly against every form of discrimination which in any way compromises the equal dignity of women and men."

Earlier on his tour, at a huge Mass attended by a record 4 million people in the Philippines and among the relatively recently Christianized Catho-lics of Papua New Guinea, the Pope has been met with unquestioning exuberance.

But Australia's Cutholics, who number less than one in three of the 18 million population, seem far closer to their American counterparts in questioning Vatican dogma and rejecting those parts of it they see as irrelevant to modern life.

many Catholics that, while they

appreciate the powerful symbol

Vatican's views, he told a gath-ering called to honor a oun who not really understand the con-fought the mate-dominated ditions that they experience as Australian church hierarchy church people in a democratic and secular society," said the Reverend Paul Collins, a priesi and broadcaster here. The focus of the Pope's two-

day visit to Sydney was his beaufication on Thursday, before 200,000 people at a horse-ractrack, of Mother Mary MacKillop. She formed the Josephite order of nuns in the 19th century and was briefly excommunicated in 1871 for refusing to bow to the control of Catholic bishops.

But at a different ceremony belore pronnuncing Mother Mary blessed — the precursor to sainthood - the Pope reemphasized his views on the role of women and women's ordination. There is a sense among

"Among the pressing issues facing the people of God in

family, in society and in the church, which is faithful to the iruth of the Gospel," he said.

His reference to the truth of

the Gospel evoked the Vatican's assertion that only men may be priests since Jesus chose onty men as his disciples. The Pope said his critics had a "mistaken anthropology' about women that was "at the

root of the failure of society to

understand church teaching on

the true role of women." "That role is in no way diminished but is in fact enhanced by being related in a special way to motherhood the source of new life - both physical and spiritual," he said,

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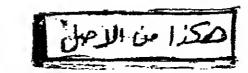
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THE AMERICAS / Example 2 The American Seeking to Destroy Him. In the Hot House: Gingrich Accuses Democrats of Seeking to Destroy Himself and closed down.

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WASHINGTON — Newt Gingrich, the House caker, accused Democrats on Thursday of using a rategy of "personal destruction" against him rathspeaker, accused Democrats on Thursday of using a strategy of "personal destruction" against him rather than debating Republicans on the issues.

A day after bitter shouting matches on the House floor over Democratic criticism of the speaker, a feisty Mr. Gingrich said he found the opposition tactics "pretty sobering in America."

"I expect Democrats to take every shot they can get," Mr. Gingrich said at a news conference. He quoted from a column saying Democrats were trying to "destroy Gingrich" and added:

"I think a strategy based on the personal destruction of somebody is pretty amazing if it's a genuine

both parties went at it again in television interviews. "It seems to me you're just seeing a play here of people who have decided that disruptive tactics will substitute for their lack of ideas," said a Gingrich ally, Representative Robert S. Walker, Republican

Representative Robert G. Torricelli, Democrat of New Jersey, appearing with Mr. Walker, responded: What you saw yesterday is that absolute power

"We will not permit ourselves to be gagged," he

raucous self, with Republicans and Democrats screaming and yelling at each other the way they

Only this time, it was a Republican speaker under attack and his party majority that won the floor battles, leaving minority Democrats furning about

being mistreated.
No legislation was at stake. The partisan battle came down to a one-minute speech on Wednesday by Representative Carrie P. Meek, Democrat of orida, criticizing the "whole lot of dust" that Mr. Gingrich stands to gain from his book deal.

Her words on the House floor will not be found in who prothe Congressional Record, for Mrs. Meek's speech debate. was "taken down," parliamentary talk that means the opposite of what it sounds like. Her criticisms were stricken from the official record of House proceedings as innuendo and an unparliamentary

reference to the speaker's personal conduct. speaker, and you can't do that," said Mr. Walker. who lodged the challenge against Mrs. Meck's re-

Senior Democrats who rushed to Mrs. Meek's defense — Representative John D. Dingell of Michigan and Representative David R. Obey of Wisconnever "taken down," Mr. Torricelli said. sin among them - angrily charged that Republicans

"Are members now precluded from raising ques-tions about the behavior of other members of this

body?" Mr. Dingell asked. Democrats recalled that when his party was in the minority, Mr. Gingrich specialized in floor speeches "It raises a question of personal conduct of the branding past House Democratic leaders as "correaker, and you can't do that," said Mr. Walker. rupt," His assaults helped force the 1989 resignation of the speaker, Jim Wright, Democrat of Texas, because of his own book deal.



The Simpson defense team arriving Thursday at the courthouse after reportedly patching

A Blow to Simpson Defense

Court Will Allow Evidence on Alleged Incidents of Abuse

By William Claiborne

has suffered a major setback as Judge Lance A. the former football superstar who has pleaded Ito ruled the jury would be allowed to hear not guilty to two counts of first-degree murder in allegations that the former foothall star physical-the slayings of Mrs. Simpson and a friend, Ronily abused, intimidated and stalked his wife. Ni- ald L. Goldman. cole, from the time he first met her 18 years ago until she and a male friend were murdered June

Rejecting assertions by the defense that the allegations were irrelevant to the case and highly son smashed in the window of his wife's Merprejudicial, Judge Ito ruled that many of the alleged domestic abuse incidents were "relevant to motive, intent, premeditation and identity" and should be heard by the jury.

to the incidents during its opening statement, which Judge Ito said would begin Monday.

Judge Ito said he would admit as evidence 19

of the domestic violence incidents that had been contested by the defense and 10 others that were unopposed. He said he would not allow evidence of 12 incidents, most of them recorded in a diary that Nicole Brown Simpson maintained at the request of her lawyer to support her 1992

Judge Ito called the diary hearsay evidence. He said that appeals courts had held that it was reversible error to admit hearsay statements by a murder victim who expressed fear of a

Judge Ito said he would not allow evidence

present evidence of most of the domestic abuse Washington Past Service incidents that prosecutors say form one of the LOS ANGELES — O.J. Simpson's defense main pillars of their case against Mr. Simpson.

· Prosecution lawyers had been particularly cager for the jury to hear evidence about four incidents the judge ruled admissible.

They are a 1985 incident in which Mr. Simp-

cedes with a baseball bat; a widely publicized New Year's Eve fight in 1989 that resulted in his pleading no contest to a charge of spousal bat-tery; an episode in which Mr. Simpson kicked in The prosecution will also be permitted to refer a door to his wife's house and shouted threats while she talked with a police emergency opera-tor, and allegations that Mr. Simpson grabbed his wife by the crotch in a bar in 1989 and then later that evening pushed her from their moving

Judge Ito also rejected a defense motion seek-ing to restrict the presence of the victims' fam-ilies in the courtroom. He ruled they could be

present except during testimony about incidents in which they were involved.

Meanwhile, Mr. Simpson's defense team tried to demonstrate that they had patched up a feud between two of its three principal members, Robert L. Shapiro and F. Lee Bailey.

Mr. Shapiro, who had referred to Mr. Bailey as a "snake" whom he said he would no longer talk that Mrs. Simpson contacted a shelter for battered wives five days before her death, saying that her former husband was stalking her.

But Judge Ito upheld the prosecution's right to

Speaker Gives, and Gets, Book Tips

WASHINGTON - During a recent visit to the capital, Sister Mary Rose McGeady, who runs programs in New York for homeless leenage mothers, exchanged reading suggestions with the House speaker, Newt Gingrich.

The Georgia Republican touted "The Tragedy of American Compassion," by Marvin N. Olasky, who argues that a society's compassion should not be judged by how much its government spends to support the poor but by how much individuals do to help the less fortunate.

To enlighten Mr. Gingrich, who has advocated orphanages for welfare children whose mothers are denied benefits and cannot care for them, Sister McGendy recommended "Separation," by the British author John Bowly. It describes the deep scars children receive if separated from their biological

Clinton Seeks Fallback Military Fund

WASHINGTON - The Clinton administration is preparing to ask Congress for \$2.6 billion in emergency defense funding, saying the military otherwise may have to curtail operations after March

A Pentagon spokesman, Ken Bacon, confirmed that Defense Secretary William J. Perry and other officials believe the armed services would be forced to cut back training and other day-to-day opera-

tions without the extra funds. President Bill Clinton will submit a \$257 hillion budget request for the Defense Department and Energy Department nuclear weapons programs early next month, covering the 1996 fiscal year, which

The president will also ask Congress for about \$2.6 billion in immediate financing to cover cost overruns this year from overseas missions such as the Haiti occupation, according to lawmakers and

Legal Moves Delay Harassment Suit

LITTLE ROCK, Arkansas - President Clinton's lawyers have said a federal judge should not make any more rulings in Paula Corbin Jones's sexual harassment suit because key elements of the case are on appeal.

While postponing the trial until Mr. Clinton leaves office, U.S. District Judge Susan Webber Wright ruled on Dec. 28 that fact-finding procedures such as taking sworn statements from witnesses could proceed.

Both sides have appealed to the 8th U.S. Circuit Court of Appeals in St. Louis - Mr. Clinton to ask that all action be delayed, Ms. Jones to ask that the trial go forward and that Mr. Clinton not be allowed to delay his response to her suit.

Ms. Jones, a former Arkansas state employee, has accused Mr. Clinton of making an unwanted sexual advance in 1991, while he was governor. Mr. Clinton has denied her allegation.

Quote/Unquote

Interior Secretary Bruce Babbit, in an appearance before the House Appropriations subcommittee on the interior, saying he wanted to cooperate with the Republicans: "I understand the realities. I understand the mandate that the chairman and members of this committee have from the public." (NYT)

In Opposition, the Stately Stalling of Senator Byrd

By Robin Toner New York Times Service

WASHINGTON - Over in the House of Representatives, Republicans are intent on defying the traditional, ever-so-stately pace of the legislative process and pushing through their "Contract With America." But between the Republicans and their dream of a 100-day revolution stands the Senate.

More specifically, Senate Democrats, Most specifically of all, Senator Robert C. Byrd of Wesl Virginia.

Senator Byrd, who has spent 36 of his 77 years in the Senate, reveres the stately pace of the legislative process. He boasts on the Senale floor of never

having read the Contract With America. the Republican campaign manifesto that drives much of political Washingto the "steamroller" of an upstart consent. House, and rush through legislation Senato without adequate debate and delibera-

Since Mr. Byrd has served as majority

Mr. Byrd responded with the elaboleader, minority leader and president rate civilities of an earlier time, saying he one trillion dollars of spending cuts and pro tem of the upper house, not to men- had great personal esteem for Senator tion whip and committee chairman, he is Dole and valued him as a worthy adversteeped in the deep magic of the Senate's sary - despite what he called the majorrules. Even in the urgent age of Newt ity leader's penchant for "these little Gingrich, he knows how to slow things cutesy phrases." He said he might end

that he occasionally interrupted to give filing of first- and second-degree amendments, marshaling his forces for the latest skirmish on the floor. "We balanced budget. should be senators."

This week, he was helping to lead the slowdown on a Republican bill to make it more difficult for Congress to pass "unfunded mandates" — laws and reguton these days. He says he is not about lations that impose new costs on state zon." to see his beloved institution fall victim and local governments without their

> Senator Bob Dole of Kansas, the mawas in the grip of "Syrdlock."

up supporting the unfunded mandate "We should not be cowed like bill, but he wants to make sure it is fully whipped dogs," he said in an interview considered.

The Capitol has been buzzing as these arcane instructions to his staff on the two seasoned warriors began to maneu-

"I know the senator from West Virnight. "He knows the balanced budget amendment is somewhere on the hori-

The amendment is a top priority for describes it as a gimmick being rammed added, "I think I'll learn by watching through without giving the public "any him maneuver."

tax increases over the next seven years."

and the line-item veto, which would allow the president to eliminate specific items from the budget, represent a fundamental shifting of power from the legislative to the executive and judicial branches of the government.

Asked how hard he would oppose the balanced budget amendment, the senator replied in the gentle cadence of the West Virginia coal fields: "To me there is no 50 percent of the way, or 75 perginia is a master at the game," Mr. Dole cent. It's 100 percent with me. I have observed wryly on the floor the other reasons based on weeks, months, years

Senator Dirk Kempthorne, the 43year-old Idaho Republican who is man-The amendment is a top priority for aging this bill on the floor, acknowl-the Republicans, and some Democrats edged that he was on a "steep learning as well; it is anotherna to Mr. Byrd, who curve," but, looking on the bright side,

Away From Politics

• Researchers knew that some of the patients injected with plutonium in the 1940s in U.S. government-sponsored secret tests were relatively healthy, according to papers uncovered by a presidential advisory panel. A previously released report suggested the subjects were chronically ill and that their survival beyond 10 years was highly improbable. (AP)

· A man has been sentenced to 141 years in prison for spraying bullets at a van full of Hasidic Jewish youths on New York's Brooklyn Bridge, killing a teenager. Rashid Baz got the maximum sentence for the March 1, 1994. (AP)

 A nurse who accidentally dropped a donated human heart, then threw it in a trash can without telling anyone, was reprimanded and fined \$250. Wanda R. Condon feared she had contaminated the organ, the Washington state Health Department concluded. (AP) • A Wall Street executive will give up 500 hours of future free time as punishment for

reportedly getting his mechanic to do his jury duty for him. Andrew Levinson, 36, a vice president at Lehman Brothers brokerage, agreed to the guilty plea of criminal contempt in Manhattan Criminal Court. (AP)

 The Smithsonian Institution has declined an appeal to cancel its exhibit on the atomic bomb and the end of World War II, just three months before its scheduled opening. American Legion officials made the request after learning that the text for the National Air and Space Museum exhibit was being changed again to lower the estimate of casualties that would have occurred had a U.S. invasion of Japan been needed to end the war. (WP)

Truck drivers who fall asleep at the wheel are a factor in 750 to 1,500 road deaths every year, according to a study by the National Transportation Safety Board.

 Yale University was awarded about \$500,000 by the U.S. government to collect documents and testimony aimed at bringing genocide charges against members of Pol Pot's 1975-79



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up a feud between two of its members, Robert L. Shapiro, center, and F. Lee Bailey, right.

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KOBE QUAKE/TESTING GIVILIT



Prime Minister Tomiichi Murayama, left, visiting an evacaution center in an elementary school in Kobe on Thursday.

'Shallow' Shock More Destructive

New York Times Service

NEW YORK - Japanese scientists have cut hy half their estimate of the depth of the quake that shook the Kobe region, helping explain why the temblor was so violent and deadly. They also discovered long ruptures at the surface produced when rock formations deep in the earth suddenly broke apart along a fault line, a clue buttressing the idea that the quake was shallow.

The preliminary estimate on Tuesday was that the quake's focus lay at a depth of 20 kilometers (12.4 miles). But the scientists, working with an array of data from instru-ments that measure various kinds of shock waves, on Wednesday revised their estimate to 10 kilometers.

"That's significant," said Waverly Person, director of the National Earthquake Information Center, in Golden, Colorado. "When you get shallow earthquakes, it's very intense."

The surface effects of shallow quakes are more violent than deep ones because their energy is coupled more directly to such surface structures as roads and huildings.

The Kobe quake produced large ruptures at the surface, according to reports from the Geological Survey of Japan and university scientists at the disaster scene.

Takashi Nakata of Hiroshima University and his colleagues are reported to have found sideways displacements at the surface along the fault of 1.2 meters (nearly 4 feet). At another area the displacement is said to be 1.5

By comparison, the San Francisco earthquake of 1906 caused a surface displacement in spots of about 9 feet. That quake had a magnitude of 8.3, while the Kobe one is estimated at 7.2 by Japanese scientists and 6.8 by U.S. researchers.

More Relief Supplies Mobilized for Kobe

Among the aid being supplied to earthquake victims in the Kobe-Osaka area:

· National aid: The government has promised to spend \$1 billion out of reserve funds. with details yet to be announced. The government also has said it will have a supple- 106,000 cans of food were member rescue team have armentary hudget to help finance reconstruction.

 Military participation: The government on Thursday raised

and 1,300 vehicles.

tons of rice, 1,000 kerosene stoves, 200,000 portable kitchen stoves, 95,000 blankets, 250,000 bags of bread and biscuits, among the provisions sent in by

the number of troops taking a dozen doctors and nurses, nations part in relief efforts from 5,000 have been sent to the quake ed aid.

about 100 aircraft, 20 vessels campaign to collect donations • Aid distribution: 3,000 Airways flew in three plane-

loads of relief supplies.

 Japan Red Cross: 44 medical teams, each made up of half a dozen doctors and nurses, nations have pledged or provid-

to 13,000. The effort includes zone. It has started a national and has sent relief goods. • Private help: All Nippon

• Foreign assistance: 12 Swiss mountain dogs trained to 38,000 cups of noodles and snift for survivors and a 21rived. U.S. forces are flying in the government as of Thursday. 37,000 blankets. The Philippine government has launched a fund-raising drive. Eleven other

And Other Kyoto Sites Damaged New York Times Service

Golden Pavilion

TOKYO - Kyoto, the ancient home of the emperors, suffered cultural casualties in

the earthquake, but no human

The city, the capital of Japan from the 8th to the 12th centuries, is a tourist favorite and its gardens, shrines and temples have a relaxed and traditional flavor, It is about 65 kilometers (40 miles) northeast of Kobe.

Most buildings survived intact but cracks developed in the Golden Pavilion, which was built in the 14th century. The sion reporters sent to the scene will be a supported by the scene of t cracks apparently do not threaten the structure.

building had been damaged. In 1950, the pavilion burned to the ground after a fire set by a religious zealot. It was rebuilt

Cracks were also reported in the Pagoda of the Daigoji Temple, built in the 10th century thought to rule, Japanese instiand believed to be the oldest structure in Kyoto.

also fell over.

Read THE MONEY REPORT every Scturday in the IHT

TOKYO - Japan's response in the aftermath of the massive they don't want to be trading on ter the earthquake struck, when earthquake in western Japan is revealing the extent to which the nation's famed civility and group consciousness have remained intact despite ascendance to economic superpower

Many of the homeless, who number in the hundreds of thousands, have been thrust into conditions reminiscent of the period following World War II, when Japan lay in ruins. Yet, while griping about shortages of food, water and toilets grew more strident on Thursday, people's behavior was the essence of gaman, or persever-

By Steven Brull nternational Herold Tribute

Television showed long lines of homeless lining up patiently for supplies and learning to coexist with neighbors, sleeping side-to-side in crowded public buildings. More than 30,000 buildings were destroyed or heavily damaged and nearly 200,000 homes remained without electric power on Thursday night, down from about 900,000 just after the quake.

Yet, in sharp contrast to Los Angeles following its earthquake one year ago, or south Florida after it was hit by a hurricane in 1992, looting has been nonexistent and opportunistic lawyers nowhere in sight.

Since the earthquake struck Tuesday, semipublic NHK has devoted almost all of its nationwide television and radio broadcasts to emergency safety information, even though most of the programming was of local relevance.

Many of the messages dron-ing on in late-night nationwide broadcasts, moreover, have been of an extremely personal nature, usually simple requests for those cut off by the disaster to contact worried friends and relatives. Only on Thursday did the commercial networks resume normal programming.

Also telling is that despite

 NHK alone has assigned nearly 1,000 to its earthquake This was not the first time the coverage - the media have not made heroes of any skin-oftheir-teeth survivors or valiant rescue workers. The group mentality reigns.

Even in financial markets, where economic rationalism is tutional investors have shown respect for the victims, refrain-Three statues in the Koryuji ing from purchases of shares of Temple, founded in 622, were construction and other compatoppled and one lost its right nies likely to benefit from rearm. Six statues of the goddess construction, or selling of insurfresh liabilities.

> While the Tokyo Stock Exchange's main Nikkei index has declined every day since the quake, and fell a further 147.57

"Some investors have said dine Fleming Securities. "Peofrom the party, which had ple fear more for their lives than their partfolios."

Japanese banks, struggling to work off tens of billions of dollars in nonperforming loans stemming from the collapse of the hubble economy of the late 1980s, have donated millions of dollars to relief efforts. Other companies have also made contributions.

Paradoxically, the sense of loss could yield major political gains for Prime Minister Tomiichi Murayama, leader of the fractious coalition of Socialists and said "the scale of damage"

first dividends came shortly afdays like these," said Paul Mig- a group of 24 Socialists froze liorato, senior salesman at Jar- moves toward a withdrawal threatened to jeopardize the co-

alition.

Longer term, by bolstering support for improvements in the nation's infrastructure, Mr. Murayama may find it easier to wring billions of dollars in popular new public works spending from the Finance Ministry. Economists have estimated the cost of reconstruction at any-where from \$20 billion to \$200

billion. On Thursday, Mr. Murayama toured the ravaged area

Solidarity Holds in Face of Disaster come from foreign or individual and Liberal Democrats that here is beyond description." He investors. The put himself in charge of a committee overseeing relief measures and vowed to take maxi-

mum countermeasures. Still, with growing criticism of the government's lack of preparedness and tardy relief response, public opinion could easily turn against officials unless conditions for the homeless improve rapidly. Parliament begins a new session on Friday. and the questioning of disaster policies is expected to be tough.

"Parliament, in addition to pressing the government for emergency measures for the quake damage, must, through a dehate on disaster policies thoroughly ensure the people's peace of mind," the Asahi Shimbun said in an editorial.

A Transport System in Ruin

Port, Rail and Road Woes Hobble Business

Compiled by Our Staff From Dispatches

KOBE Japan - The earthquake that struck western Japan has had a devastating effect on the region's infrastructure, with roads, railroads and ports expected to cost billions of dollars and take years to repair.

It will take about four years to get the rail network in the Kobe region back to normal, and severed highways have halted the transport of many factory goods in the highly industrialized area. Hyogo Prefecture, the hardest-hit district, accounts for more than 4 percent of the nation's gross domestic product and nearly 6 percent of the country's mining and manufacturing production.

The port of Kobe, the country's secondbiggest after Yokohama, will take months to repair after the devastating earthquake Tuesday, a port official said Thursday. Hankyu Corp. said it would take up to two

years to restore the rail line from Sannomiya to Kobe, which was the worst hit.

Hanshin Expressway Public Corp., which operates the main 30-kilometer (20-mile) Osaka-Kobe highway, said it would take at least two years to repair the worst damaged

Only five piers are operating at the port, and all are being used for relief operations.

"It will be impossible to resume operations within two or three months," the port official said. "It should take less than a year, but even then, repairs to computer systems used to control harbor traffic could take longer."

The official said that all warehouses and storage facilities were damaged at the port, which accounts for 10 percent of Japanese

Kobe also has several damaged shipyards, including those operated by Mitsubishi Heavy Industries Ltd. and Kawasaki Heavy Industries Ltd.

After carrying out emergency repairs in 42 places, Japan Railways-Central, which operates the Shinkansen builet trains, said it planned to resume service Saturday between Kyoto and Shin-Osaka on the line linking Tokyo and southern Japan.

The port devastation prompted the Japan Harbor Transport Association to announce plans Thursday to keep other ports open Sundays -- when they are usually closed -- to help meet increased demand for cargo-handling operations.

The emergency measures will be applied for at least a month to several ports, including Osaka, Yokohama and Tokyo, association officials said, adding that port activities might be extended overnight if necessary.

The paralysis of the transport systems was a sudden shock to regional manufacturers functioning within Japan's "just-in-time" production system, which involves keeping low inventories of parts in factories to maximize efficiency. Toyota Motor Co., the country's top carmaker, was suspending production at all 12 plants because of problems in (AFP, AP, Bloomberg,

Gangsters Pitch In on Relief Effort

TOKYO - Japan's most notorious crime gang, the Yama-guchi-gumi, has helped with relief efforts after the earthquake Kobe, the Kyodo news agency reported Thursday.

Since the quake struck on Tuesday, gang members have been handing out free bread, to 19,075.74 on Thursday, hro-noodles, diapers and powdered age after a 1992 law that desigkers say most of the selling has milk outside their headquarters, nated many of its major activi-

They have also been supplyabout 200 people were lined up, Kyodo said.

The Yamaguchi-gumi is Japan's largest crime gang. It has been trying to improve its im-

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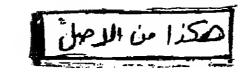
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phered by Stephen Langdon, Professor of Assyriology at Oxford. Eve's absence from this record may be of some satisfaction to present day women, who bave long borne the odium of the sio of their first ancestress.

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Mexican Crisis: The U.S. Plan Is the Least Bad Solution

A Safe Way to Help Mexico

The Clinton administration faces sur-prising and shortsighted opposition in Congress to its bold plan to rescue the Mexican peso. Critics, both Democrat and Republican, say the plan will leave American taxpayers dangerously exposed if Mexico defaults on its bonds. They want Mexican concessions for American loan guarantees, including sale of the stateowned petroleum monopoly. They would also force adoption of labor reforms that Mexico steadfastly rejected during negotiations over NAFTA, the free-trade accord with the United States and Canada.

The opponents are wrong. The Clinton plan is ingeniously designed to stabilize the Mexican economy without costing U.S. taxpayers any money. By stabilizing the peso, it would protect U.S. exports and prevent a temporary influx of imports and illegal immigrants. The plan would also stop financial turmoil from spreading elsewhere in Latin America.

The peso has plummeted over 30 percent in a month and could collapse if investors, fearing further depreciation or default, dump Mexican bonds and cash in their pesos for dollars. If that happens, import prices in Mexico would soar and possibly bury its fragile market reforms in a torrent of inflation.

The administration's plan would guarantee up to \$40 billion of Mexican loans assuring investors that Mexico would redeem the bonds as promised. As a condition for the guarantees, Mexico would adopt strict monetary and fiscal controls and pledge to pay back lenders, if needed, with future oil revenues. Those measures safeguard U.S. taxpayers; Washington should actually make money because

Mexico will pay fees for the guarantees. The majority leader, Bob Dole, and Speaker Newt Gingrich, back the administra-tion. Senator Daniel Patrick Moynihan and other opponents of NAFTA support guarantees because they recognize that preventing the collapse of a neighbor and major economic partner is important regardless of the ments of open trade or the current Mexican administration.

There is no good case for imposing extrancous conditions on Mexico. President Ernesto Zedillo is under fierce, often unfair attack for weak leadership. With or without loan guarantees, the Mexican economy will be hit hard by the fall of the peso and will need a full-strength president to keep a firm lid on wages and prices - discipline that is needed to control the growing trade deficit and to stabilize the economy. Why force him to swallow painful political concessions dictated by Wash-

ington that would leave him weakened?

Mr. Zedillo might have been tempted to deal with internal opposition the way his party has traditionally maintained control: with political repression and extensive vote fraud. But this week he steered in the opposite direction, entering an agreement with all major political parties to adopt rules for fair elections and cooperation. Now that he has promised to lock in market and democratic reforms, the United States has even more reason to help.

The administration has negotiated reasonable conditions that provide maximum protection for U.S. taxpayers, This is no time for Congress to extert political concessions or raise false alarms about the cost of loan guarantees.

- THE NEW YORK TIMES.

WASHINGTON — Just a year after the U.S. Congress ratified the North American Free Trade Agreement, Mexico is deep in crists. Hardly anyone anticipated the crisis during the NAFTA debate, and Mexico's leaders can be rightly blamed for causing it. They relied too heavily for too long on short-term foreign loans to sustain excessive imports, Last year, Mexico's current account deficit (roughly, its trade plus other current foreign spending) exceeded 7 percent of its national income. This

couldn't continue, and it hasn't. The \$40 billion rescue plan proposed by the Clinton administration would not

If Congress rejects the rescue plan, a bad situation will be made worse - much worse.

spare Mexico the pain of scaling back. Imports will have to be cut and exports raised. A steep slump may be inevitable. But the Clinton plan would allow Mexico to spread the adjustment over a few years. The United States would not give Mexico \$40 billion. Instead, it would guarantee private loans to Mexico.

American taxpayers would suffer losses only if Mexico defaulted on these loans. No one relishes taking that gamble. But if Congress rejects it, a bad situation will be made much worse. Mexico would default on existing short-term loans and probably plunge into a depression. The peso (which has already dropped more than a third against the dollar) might

By Robert J. Samuelson

slide another 30 percent. No one can foresee the social and political consequences of such a collapse.

Moreover, the specter of a Mexican default might trigger a flight of foreign capital from other developing countries, especially in Latin America. Panics are by their nature self-fulfilling: Foreign investors might withdraw their funds simply because they fear other investors would do so. This would harm growth in these economies and, not incidentally, U.S. exports.

The Clinton plan would mitigate these

dangers. It casts the United States in the role of "lender of last resort." In the 1930s the Federal Reserve failed to act as "lender of last resort" domestically, and no country did so internationally. The result was the Great Depression. Banking panics fed on themselves. Fearful depositors demanded their funds; old loans were called, and new credit shrunk. The collapse of spending forced companies into bankruptcy and worsened the Depression.

Although no one is suggesting an exact parallel today, the dependence of many developing countries on foreign invest-ment exposes them to a financial stampede. In 1993 alone, new foreign investment in developing nations exceeded \$130 billion, the International Monetary Fund estimates. It is one thing for these inflows to subside; indeed, that is already happening. It would be another for masses of foreign investors to try to withdraw all of their funds simultaneously. Mexico faces precisely this situation,

because so much of its foreign investment is in short-term loans. Perhaps \$25 billion to \$30 billion involve Tesobonas that are constantly maturing.

investors are no longer willing to renew these loans, and Mexico does not have the dollars to repay them. The Clinton plan would relieve the squeeze. By floating medium-term bonds (say, five to 10 years) guaranteed by the United States, Mexico would raise the cash to repay its sbort-term debts. It would also buy time to reduce its buge trade and current account deficits.

Just how much these must drop is unclear. Officially, the Mexican government says by about half. It projects an economic slowdown for 1995; growth would be about 2 percent, down from a projected 4 percent before the crisis. Meanwhile, the cheaper peso will make Mexico's imports more expensive

and its exports less expensive. Together, these changes will produce the necessary adjustment, the government argues. Maybe — and maybe not. The economist Rudiger Dornbusch of

the Massachusetts Institute of Technology, who foresaw a crisis last spring, dismisses the government's projections as wildly optimistic. The trade and current account deficits will need to drop more, be says. The economy will contract sharply; in 1995, output may decline 5 percent. Government spending will be cut. Banks, saddled with bad loans and dollar debts, will curtail lending; major companies, also with dollar debts, will reduce investment. Only exports will be strong. aided by a cheap peso. But Mr. Dornbusch fears the peso will not depreciate

enough to trigger a genuine export boom.

Mexico is treading between a steep slump and higher inflation, and it could end up with both. Although a cheap peso might spur exports, it would also increase inflation. If workers try to recover lost purchasing power, that could trigger a wage-price spiral and undo one of the government's proudest achievements: lowering inflation. In 1987, it was 138 percent; last year, it was 7 percent. At best, Mexico faces a few years of economic upset; at worst, economic and political

turmoil could feed on each other. The Clinton plan will not solve Mexico's problems and, in some ways, will incite tensions. Mexico will resent needing U.S. help, and Americans will resent having to belp. Inevitably, Mexico's economic adjustment will mean fewer U.S. exports going south and more Mexican imports headed north. By themselves, these shifts will be modest. Still, some industries and border regions will feel the impact.
But if the Clinton plan is no panacea, it

is the least bad choice. What matters most is whether Mexico can restore its economy and sustain a continuing re-form of its democracy. If not, more Mexicans will migrate north; massive social dislocation benefits neither country.

The case for the loan guarantees is the same as the case for NAFTA: It is the. best we Americans can do. We cannot be bystanders to Mexico's

fate, because we cannot insulate ourselves from its consequences. But neither can we determine it. What Mexicans do for and to themselves will be decisive; that is the loud message of this crisis. The Washington Post.

An Ignominious Exit, Only Partly Deserved, Nears for the Socialists and then cast them aside spent.

Gingrich's Mandate at Risk

When it comes to sleazy-lonking deals, some politicians can claim naïvetė, but Newt Gingrich is not one of them. He rightly exposed one of his less worthy predecessors as speaker of the House, Jim Wright, for using his position for personal gain, More to the point, Mr. Gingrich railied national support for the idea of a Congress that was not addicted to its perks or blind to ethical standards.

In running the old Democratic barons out of town, the voters clearly endorsed Mr. Gingrich's vision of a Congress free of compromising entanglements. That makes all the more puzzling his decision to cash in on his new prominence with a suspect book deal, secret fund-raising and meetings that reek of favoritism,

The speaker's defense is that he has not done anything specifically illegal and that any criticism of him is based on ideology. Where has Mr. Gingrich's memory gone? Surely he must recognize that this catch-me-if-you-can tune is exactly the one whistled by countless Democrats on their way to retirement.

The test is not legality. The test is whether Mr. Gingrich believes in his movement strongly enough to realize that he must live up to his November mandate by avoiding shady appearances as well as shady acts. In light of his meeting with Rupert Murdoch, and his grudging approach to confirming details of that meeting, Mr. Gingrich must take additional steps to purge the cloud of doubt

that now hangs over him. Earlier, it was enough for him to forgo the \$4.5 million advance from Mr. Murdoch's publishing company. But stronger measures are called for oow that it has been revealed that he met with Mr. Murdoch for a conversation that touched on

the latter's problems with federal broadcast regulations. As Senator Bob Dole and other leading Republicans seem to believe. it is now necessary for Mr. Gingrich to get out of the book-writing business altogether. That would reassure his national constituency that he puts his job as speaker ahead of his personal financial interests.

Mr. Gingrich would also be wise to rein in the claque of conservative fundraisers who have taken secret contributions to the foundation that supports his ideological campaign. Such contributions may not be illegal, but they are certainly wrong. There should be no questions about the financial independence of a man who presented himself as a reformer and was believed so thoroughly that he now stands third in the constitutional line

of succession to the presidency. History teaches that Mr. Gingrich will not take this good advice about how to retain a clean image. Whether Republican or Democrat, most officeholders conrinue to argue that everything is perfectly legal right up until the day a special prosecutor is appointed. By that time, of course, they have lost their political vitality, and the public's confidence in Washington is eroded further by the agonizing cycle of investigation, hearing and trial.

We do not support all of Mr. Cingnen's ideas, but we would prefer to see them either endorsed or defeated in Congress rather than sunk on the rock of his ego. Right now, the speaker's pugnacious instinct is overriding his common sense about the ethical expectations aroused by the November victories. Mr. Gingrich may not know it, but he is already knee deep in the Big Muddy, and if he does not turn back, the current will snatch him.

- THE NEW YORK TIMES.

PARIS — An important stage in Europe's postwar history ends this spring. A Socialist left, excluded from power in Conti-nental Europe since the 1930s. took office in France and Spain at the beginning of the 1980s and has dominated those countries for all or nearly all of the years since. That is about to end -

barring the unforeseeable. France's Socialist president, François Mitterrand, leaves office in May. He is a dying man. The party he forged in the 1970s out of disparate movements of the non-Communist left is now wreckage, in part as a result of his own will to dominate, setting all

rivals against one another. Spain's Socialist prime minister, Felipe Gonzalez, who bas led Spain since 1982, is also near an end to the line, politically weakened and accused of having personally authorized a secret and illegal "death squadron" operation during the 1980s that murdered a score of Basque terrorists.

Mr. Gonzalez denies this, and says he will not resign. However, after 13 years of power, his government has exhausted its moral resources. Its popular credit has collapsed. For the first time, polls show, the conservative leader

Gonzalez in the people's favor. In both countries the discredit of the Socialists is moral more than it is political. Power produced money corruption, initially to finance the parties, which because they were movements of the left never could expect the business support their opponents enjoyed.

However, the money the Socialists did raise, usually through kickbacks on public contracts, soon began to stick to the fingers of individual Socialists and to find its way to the Socialists' friends.

While neither France oor Spain experiences the scale of corruption of modern Italian government, which is a phenomenon unto itself, the result of a particular Italian social and political reality, what did happen in France and Spain has proven disastrous

By William Pfaff

to movements that had claimed that because they represented "the people" they were ethically superior to their rivals.

When out of office, the Socialists had scorned rentiers - investors "who make money while they sleep." In office, possibly just because of the unworldliness implicit in that judgement, they seemed incapable of distinguishing a crooked financier or asset-

stripper from an bonest banker. Most Socialist activists are teachers, or mid- or low-level government officials, or union militants or workers, whose judgment on the parties of the right is usually a moralizing one. On that side is money, power and exploitation, in this view of the world. On the other side is public trust and public service, righteousness, "the

people." For these people, what has happened is betraval.

One should not forget that Spain fought a savage Civil War less than 60 years ago. The left in Spain was treated as a subversive force until the 1970s, When General Franco died in 1975 there were plenty of people in Spain and in Washington - who believed the Communist Party could relaunch the terrible struggle interrupted by Franco's Civil

War victory in 1939. This was a profound misreading of the situation, and of the temper of the Spanish people in the 1970s. But one reason that fear proved unjustified is that the underground Socialist Party had recognized the futility of violence and seen the opportunity offered them by the restored monarchy.

It responded to the new moderation and will to accommodation of the country's conservative forces. Under Felipe González's leadership the Socialists abandoned Marxism in 1979 and committed themselves to the new Spanish democracy, sweeping the Communists aside

The left in France seemed to many irreconcilable with democracy just 15 years ago. The Communist Party then was more powerful than the Socialist Party, a disciplined force, well-financed (by Moscow), representing more than a fifth of the electorate.

It was actually a movement in decline, irrelevant to what France was becoming, but it was Mr. Mitterrand's political cunning that drew the Communists into a common electoral front, brought them harmlessly into government when the left won the elections of 1981,

In both countries what happened was a tremendous change and a tremendous accomplishment, consolidating democracy in Spain, and legitimating govern-ment by the left for a French-electorate which, in 1981, was still under the traumatic influence of the "events" of 1968. It is normal enough that now,

after more than a decade's domination of the political scene, the Socialists in France and Spain. should find that their electorates . want a change. What is not normal is that the Socialists leave the scene discredited by complaisance, corruption and illegality. That this is so has compromised democracy in both countries. It has in a certain way also compromised their future.

International Herald Tribune. O Los Angeles Times Syndicate.

"British politicians know nothing

about the Continent," wrote-

Bernhard von Bülow from Lon-

don in 1899, the year before he

Britain's Complacent Isolation Could Be Ending Soon The political class has failed b

By Roy Denman

BRUSSELS — Prime Minister John Major of Britain is

Preliminary diplomacy begins in June for next year's conference the development of the European Union. Some Europeans want a closer federation. If Mr. Major moves an inch in their direction, he will split the already divided Conservative Party, his government will fall, there will be an election and he will lose.

If be rejects closer cooperation, a core of European Union members will proceed without him. Britain, which started the century as the center of the world's greatest empire, will end it an offsbore irrelevance.

Foreign Secretary Douglas Hurd highlighted Mr. Major's problem last week in urging rance to make common cause with Britain in resisting that core. But the last 50 years show that France prefers a Cootineotal grouping it can dominate. Britain has been divided about

curve has been nonexistent. In 1950, Herbert Morrison, a

ernment, was asked in a restaurant about the proposal by Robert Schuman, France's foreign minister, for a Coal and Steel Community - the start of one of the greatest revolutions of the century. The Durham miners won't

to his meal. old Wilson was asked by President Valery Giscard d'Estaing,

been satisfactory.

"Prefer the channel with music. myself," he replied.

wear it," he said and returned lo 1975, Prime Minister Har-

after a summit meeting in Paris, it the simultaneous translation had

In 1994 John Smith, then Labor's leader, criticized Mr. Major for seeking to alter European Union voting rules. The prime minister retorted that Mr. Smith was "the man who likes to say yes

dress this lack with what she

assert, sometimes with shameful

violence, that the problem stems from defiance of God's will,

which they alone are capable of

knowing and therefore have the

right and duty to impose.

This is a case of the blind men's

dephant, with groping in different

directions and grasping different

parts of a large and undeniably troubling dilemma. It has to do

with the elusive idea of "moderni-

ty." the search for something to

which people can cling.
"Modernity" has been raised to
a cult. Even die-hard traditional-

ists are not about to renounce its

facilities and conveniences, its

prospects for longer, less brutish life. But the faith that the industri-

alizing 19th century brought in

progress, in man's inherent and

assured destiny to keep making

All these contradictory answers

to the cravings of the human spirit

are attempts to reconcile the cre-

ativity of doubt, which is one facet

of modernity, with the solace of hope that it can also bring.

There is a refreshing modesty in the ebullient Bishop Gaillot's at-

tention to obvious and immediate

human needs, human fears, with-

out trying to take on the cosmos.

The outpouring of sympathy and

support for him reflects the simple

recognition that being "a good

It doesn't answer all the ques-

tions or solve the abstract argu-

1) Flora Lewis.

ments, but it goes a long way.

man" is of the highest value.

everything better, has been lost.

Fundamentalists of all creeds

called "the politics of meaning."

Europe since the war, Its learning in Europe - Monsieur Oui, the poodle of Brussels." Britain's posture toward the

ranking member of the Labor govtorian mother who instructed nanny to find out what the children were doing and tell them to stop. Britain did not want to join European grouping but objected to others' forming one.

What accounts for this attitude? Some suggest that it has to do with Britain's being an island or its legacy of empire. But the explanation is more complicated, and less flattering.

Consider: Britain has never had serious revolution. Mucb of it remains a cozy backwater, a back-slapping, amateurish 18thcentury oligarchy, its boardrooms stuffed with has-been politicians, Foreign Office retreads and Establishment cronies. Old boys do not speak favorably about Europe. If they did, they would lose

their creature comforts. Education is a disaster. Most children go through the state system, long since wrecked by egalitarianism. They emerge semiliterate, finding solace in the Europhobia of the tabloid press.

The favored, privately educated few are reared to disdain modern languages, engineering and manufacturing. The system re-sists change. Those on the right know it will enable their childreo to become good old boys. Those on the left know it is a mess - but

a heartwarming egalitarian mess. The chattering clusses are brainwashed. Sixty percent of the serious newspapers are owned by two nonresident foreigners who loathe the European Union,

became Germany's Chancellor. ditions there as we know about conditions in Siam or Peru." Nothing has changed. From 1940 to 1945, most Continental countries were defeated and occupied. After 1945, they bad to rebuild from the bottom, knowing

that if they did not get together the same tragedy would happen again. Britain's mood was one of superior, complacent isolation. It still is. Britain suffers delusions of grandeur. It holds the conviction

that nothing can happen in the world without its permission. It believes that its institutions are the world's best and cannot possibly be changed.

Can its attitude toward Europe be changed? Yes. A Labor gov-ernment, now likely in 1996, would take a positive position to-

nation would see the results of losing jobs and investment to the new European superpower. In sboti order, Britain's membership in the Group of Seven 4 industrialized nations and its per-

ward Europe, Sooner or later, the

manent seat on the UN Security Council would be a memory. When this is clear - and Labor's new leader. Tony Blair, is the one to carry the message - Britain may at last take its proper place in a European federation.

The writer was chief of the European Community's mission to the United States from 1982 to 1989. He contributed this comment to

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

dear for her pretty Republic.

NEW YORK - Readings of new Sumirian tablets at the University of Pennsylvania absolutely upset the Adam and Eve story. The tablets tell of the creation of man from clay by a woman deity and show that it was Noah who ate

SUPREME HEADQUAR-

the Rhine has changed shape like an amoeba. German forces which Strasbourg have pushed northward along the river to link up river which makes it possible for them to shift their forces in the the apple and Eve did not tempt area without crossing the Rhine.

What Are Clinton's Goals?

Americorps "is what Americans are for," a White House aide was quoted as saying the other day. How's that again? The corps, in case you somehow forgot or never knew, is the national service program that President Bill Clinton advocated in the 1992 campaign and then pushed through Congress in truncated form his first year in office. It does indeed appear to be a tidy and worthy program, though hardly an essential one. It deserves support. But isn't it awfully grand to desig-

nate it "what Americans are for?" Mr. Clintoo and his aides appear to think they can define the president and his differences with the Republicans to some considerable extent in programmatic terms. Newt Gingrich had said a day or two before that he wanted to starve the service program, kill it by appropriating no funds. The president was said to be prepared to use his veto power in its defense. Here was a point beyond which he would not go in shrinking the government; Mr. Gingrich would go further; let the public, which no doubt is

seized by the issue, decide, But AmeriCorps isn't what the present to the extent that they can be fit within broader themes. It is the themes, the goals, that this president continues to have trouble enunciating. What is it, fundamentally, that he is for? What does he think is right and wrong about the country? What are its prospects? Where does he mean to lead it - in economic policy. social policy, foreign policy?

you listen in vain for that one.



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fight between the parties is or ought to be about. Programs are important, but only

Mr. Clinton has spent a fair amount of time trying in recent days to relegitimize government. He took the occasion of Martin Luther King's birthday to speak against the notion that "everything we do as a government is intrinsically bad." The next day in California he was calling the government a "pariner." "We know that the government cannot really solve problems for people, but I think we know that the government cannot walk away, either, Now there's a stirring formulation. Walk away from what? What do the Democrats generally want the government to do, and not do? You hear an awful lot of talk, but

-THE WASHINGTON POST.

Paul II in Manila, many thousands gathered in cities across France to protest the Vatican's dismissal of Bishop Jacques Gaillot, whose diocese was Evreux, nonhwest of Paris. It was a clash about the mission of the church.

DARIS - While millions

massed to cheer Pope John

Like the Pope. Bishop Gaillot has been a voluble, public-minded priest, but in a different way. He would pop up where there were demonstrations in support of the homeless, moves against racism and higotry. Lively and unself-conscious he even appeared on frivolous television shows to deliver his message of tolerance.

wide symbol of conscience and concern for the poor and those left out of comfortable society. The impressive numbers who rallied to support him ranged from carnest spokesmen of traditional French Catholicism to the Communist mayor of Evreux, echoing the sentiments of the little old la

dies, embarrassed teenagers and

Now he has become a nation-

angry-faced men who told interviewers. "He is a good man." The Vatican's announcement of Bishop Gaillot's removal from his post talthough he remains a bishop) referred to "hundreds of letters' complaining about his defense of abortion, contraception, homosexuality and social action. A generation ago, another French hishop, Marcel Lefebyre, was denounced by Rome for opposing the liberalizing decisions of Vatican II and the dilution of

dogma. The tide has turned.

The intense French reaction to

By Flora Lewis

They Rally in Support of a 'Good Man'

the dismissal of Bishop Gaillot, 59, underlined the criticism of commentators that the church in Catholic France has lost touch with the needs and feelings of ordinary people, failing to provide the hope and sense of community that they seek in a society

market materialism. This is a very broad issue, affecting countries everywhere. Surveying the strains and preoccupations of his day, the French writer Andre Malraux proclaimed, "The 21st century will be spiritual, or it will not be. But he didn't say what should be understood by "spiritual." That

is the question now. Pope John Paul II has made a major preoccupation of what he feels to be the vacuum left by the collapse of the Communist ideal and the obsession with practical economics. The need he sees is to revive faith in traditional religion, emphasizing traditional attitudes

o sexuality and clerical celibacy. Bishop Gaillot's sense of the spiritual has more to do with kindness, generosity, the joy of being helpful. Others, in different places, focus on other aspects of this nagging conviction that something is missing from modern life, that all the technology. all the freedom, all the wealth where it exists, do not slake the

thirst for being fully human. Dan Quayle, the former U.S. vice president, spoke for many in calling for "family values." Hilla-ry Rodham Clinton sought to ad-

مكذا من الاحل

An Arts Rescue Mission Shapes Up on the Right

By Frank Rich

TEW YORK — If Charlton Heston could part the Red Sea, can at the 1976 Republican national convention, says that the federal governhe also save the National Endowment for the Arts? He just might. Though Newt Gingrich has blasted the endowment as "patronage for an citie group" and Richard Armey has said it "olfends the Constitution of the United States," the House speaker and that chamber's Republican leader have not heard yet from Mr. Heston and many other conservative

Republicans who beg to differ. While NEA demonizers like Wil-liam Bennett and George Will would have you believe that the endowment's defenders are mainly liberal exthetes, the hidden story is the res-

cue posse forming on the right.

"I know all this stuff — I played Michelangelo," said Mr. Heston with a lough from his home. Having been both "an art maker, if you will" and

Elite is a very flexible word, said Mr. Heston. It primarily means someone you disapprove of.'

the head of two cultural institutions supported by the endowment, he feels he is "the only conservative with extensive experience on this issue." And he cites historical precedents to argue passionately that arts patronage is "a legitimate function" of government.

If called, Mr. Heston will testify in Washington for the NEA. It is

a rule the actor has played before; in 1981, he ended up championing the arts and humanities endowments after Ronald Reagan appointed him co-chairman of a presidential task force that was widely expected to seal their doom.

Mr. Heston is hardly alone. In conversations this week, Republican arts patrons with political clout defended the NEA hy making the same arguments Democrats do that the imprimatur of a federal grant is essential to attract private money to the arts and that the poorest audiences and smallest cultural organizations, not the wealthy, will suffer if the endowment dies.

"Elite is a very flexible word," said Mr. Heston, dismissing talk of an "elite" NEA. "It primarily means

someone you disapprove of."

Even David Christopher, a board member of the Pittsburgh Symphony who is so conservative that he was one of 10 delegates to vote for Mr. Reagan over President Gerald Ford

ment must encourage the arts as part of "the quality of life." Patsy Collins, a King Broadcasting heiress whose contributions to the Seattle Opera more than triple those of the U.S. government, sbrugs off past NEA controversies; while she found Robert Mapplethorpe's photo-

graphs "disgusting," she loved the gay epic "Angels in America."

Another Republican stalwart, Thomas Barrow, a Texas oil man who is president of the Houston Grand Opera board, says, "There are NEA grants I don't like, but I don't like where every military base in the U.S. is located, either."

Mr. Barrow will make his case strenuously to his longtime acquaintance Tom DeLay, the powerful new House Republican whip and NEA opponent. Lyn Grinstein of Fort Worth, who is on the executive committee of the Van Clihurn Competition, intends to do the same with Mr. Armey, whom she knows and regards as "very smart" and "openminded" but in need of more information about the endowment.

And what about the new speaker? John Wieland, the biggest home huilder in Atlanta and the board chairman of that city's High Museum, plans to tell Mr. Gingrich in person why the destruction of the NEA would be "a great tragedy for the country." Mr. Wieland, who has been a Gingrich supporter and contributor for a dozen years, says that the speaker is "one of the best thinkers of our time" and is "willing to say." I made a microsc." ing to say 'I made a mistake.' "

While no one expects any agency to emerge uncut in the new Congress, some conservative Republicans 1 talked with feel that the endowment should take a modest hit at most.

Many find the whole controversy counterproductive distraction from the real government downsizing promised by the "Contract With America," and wonder why time is being wasted arguing about the NEA's tiny \$167 million when there's \$16 billion in farm programs on the table.

The answer, of course, is politics: The NEA, as caricatured by its opponents, is red meat for the religious right. But as the arts' powerful Re-publican friends loudly join the other bipartisan forces mobilizing to save the NEA, they may yet force the new House leadership to choose between getting down to business and getting mired in a symbolic culture war that no one can win.

The New York Times.

A Troubled Conscience On the Road to Grozny

By Peter Crane

WASHINGTON — A 22-year-old Russian who took part in the attack on Grozny described the results: civilians of all ages brutally

Tolstoy's dilemma, as he ex-plained in the 1852 account of the killed, houses destroyed, farmland ruined. As the Chechens laid our the bodies of their children in the local mosque, he wrote, "hatred" was an inadequate word for what they felt toward the Russians. To

MEANWHILE

merit hatred, one must be a human being, and in Chechen eyes, the cruelty of the attackers made them instead like "rats, poisonous spiders or wolves," so that "the desire to exterminate them ... was as natural an instinct as that of self-preservation."

The young Russian was Count Leo Tolstoy, and it was the summer of 1851. The hattle against the Cliechens and the moral issues it raised helped turn an idle young dilettante into a writer and a moralist, and more than half a century later, the experience still preoccupied him. Both his very first and very last fiction — a short story published in 1852 and a novel finished in 1904 included descriptions of that attack

When the raid took place, Tolstoy had been in Chechnya only a few weeks, staying with his elder brother, Nikolai, an army officer. He had come there in part to get away from Moscow, where he was frittering away his inheritance on gamhling and women, When his brother's unit was ordered to take part in an attack on Grozny, Tolstoy received permission to accompany them. He be-haved coolly under fire and several

raid, was that on the political level, he believed that the war was just, as a necessary means of ensuring the stahility of nearby Russian territory. On the individual level, however, the page not so sure , he was not so sure.

Did more justice lie, he asked, on the side of the Russian officer who has come to Chechnya to win glory. or of the Chechen defender who. with his house in flames and his family cowering in a nearby ravine, takes down an old gun and fires a few shots at the oncoming Russians before dying on their bayonets? Even to ask the question was enough to make the censor cut the

passage from the story.
Tolstoy had several more years as a soldier ahead of him, including service against the Turks in Eastern Europe and the British and French in the Crimea. But the attack on Grozny, and the problem of deciding when violence is just, had started him down paths of thought that would ultimately lead him to reject all war and embrace the principle of nonviolent resistance to evil.

Today, the world is still feeling the aftershocks of his personal transformation. In 1900, the young Mohandas Gandhi, then practicing solution to the problems of Russia law in South Africa, read Tolstov and realized that nonviolent resistance to injustice could be a tool for achieving political change. His discovery was to free India and in so doing, spell the end of colonialism



Tolstoy. Preaching to his congregation about rejecting evil, he com-pared Tolstoy to Saint Paul, converted on the road to Damascus.

If Tolstoy were alive today, what vould he say about the war against the Chechens? Probably that guns and bombs cannot succeed in subduing people who feel they are defending their own homes. (If guns and of Chechnya might satisfy few. He once wrote that the only remedy for the errors of government was the one that had never been tried: for each honest and educated person "to act and speak so that your moworldwide. Martin Luther King Jr. tives for action are understandable learned both from Gandhi and from to your loving seven-year-old son, to

freedom, an unjust government could not be saved by secret police.

political prisons and censorship. That idea does not seem as quixotic today as it might have a decade ago. The Communist regimes of Eastern Europe began to crumble once people like Andrei Sakharov, Vaclav Havel and Adam Michnik refused to behave like realists and decided to speak and act truthfully, regardless of the consequences.
Tolstoy and Vaclav Havel would

act so that your son doesn't say: have understood each other. In Oc-"Papa, why did you say that then, toher 1989, Mr. Havel was a politi-but now say and do something quite cal prisoner. Three months later, different?" Though this method when he addressed the U.S. Con-"seems very feehle," Tolstoy said, he gress as president of Czechoslovawas convinced of the power of con-science. A few people of conscience speaking: "The salvation of the huwould galvanize others, and once man world lies nowhere else than in public opinion began to demand the human heart, in the human power to reflect, in human meekness and in human responsibility."

If today there are Russian soldiers and officers asking aloud whether it is just to be shooting at the Chechens, perhaps it is in part because long ago, the young Leo Tolstoy asked himself that very question, on the road to Grozny.

The writer is a Washington attorney. He contributed this comment to The Washington Past.

LETTERS TO THE EDITOR

The UN and Its Staff

Regarding "A World Class Chal-

Regarding "A World Class Challenge" and "Dozens of Plans but Little Reform as UN Nears 50" (Jan. 4):

The statement that the United Nations employs 51,000 people is correct. However, the staff of the United Nations proper, excluding 20 specialized agencies (among them, the Food and Agriculture Organization, the UN Population Fund, Unesco and the World Health Organization) numbers only 14,000 worldwide. This includes its offices in New York, Geneva, Vienna and its regional comneva, Vienna and its regional com-missions in Europe, Latin America, Asia and the Pacific, Western Asia

and Africa, The number of UN staff has decreased, despite the added responsibility of 27 peacekeeping missions. Consequently, Secretary-General Butros Butros Ghali's statement that the United Nations requires more staff to carry out the increasing demands from the world community for its services could not be more truthful. United Nations programs are already barely surviving due to minimal staffing and financing.

To put this point of view into perspective, the U.S. civil service employs more than 2 million people; IBM employs over 300,000; in Sweden, 65,000 public servants are employed to serve the needs of the

relatively small city of Stockholm. The United Nations is not an overstaffed, overpaid monolithic hureaucracy. And its staff are asked to serve the world in ways, and under conditions, that were unimaginable

just 50 years ago.
If the United Nations is some times considered inefficient, it is due to low staffing levels, inadequate funding and the instability of many of the governments that host programs. In the developing world, communications are slow and transport is difficult. Both of these are also important factors influencing the efficiency of work in the field, The UN system has never been

agencies be facilitated.

GUY SNEYERS. General Secretary, Federation of International Civil Servants' Associations, Geneva.

'Just Between You and Me'

I have been waiting in vain for some follow-up on Connie Chung's decision to publicize her "just be-tween you and me" conversation

properly funded or staffed because with Newt Gingrich's mother, Ungovernments have never made a true fortunately, it appears that she has commitment to internationalism, been forgiven her slight. The con-Only when governments make such cept that the press would be as fora commitment will the work of the giving toward public officials for United Nations and its specialized similar ethical hreaches is laughable. ADAM EDWARDS.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited ma-

BOOKS

NEVERMORE

By R'illiam Hjartsberg. 289 pages. \$21. Atlantic Monthly

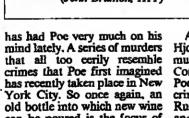
Reviewed by Christopher Lehmann-Haupt

NOT very far into William Hjortsberg's latest novel, "Nevermore," a sleepless Sir Arthur Conan Doyle sits in the front room of his suite at the Plaza Hotel shortly before dawn and beholds "a faint shimmering outline" taking shape before him. It is "undeniably the same ethereal form he mind lately. A series of murders had seen before, a scated man in garments stylish three-quar-

apparition replies.

Lest this unlikely encounter seem in any way lugubrious, it should quickly be explained that Hjortsberg arranges matters wittily enough so that as much as Conan Doyle sees Poe as a ghost from the past, Poe regards Conan Doyle as a phantom from the future.

WHAT THEY'RE READING



el, he parodied the mountainclimbing adventure as a form.

"Gray Matters" (1971) and
"Symbiography" (1973) were
variations of science fiction.
"Toro! Toro! Toro!" (1974)
wildly satirized the bullfighting
saga. "Falling Angel" (1978)
was a chilling homage to the
hard-boiled detective novel of
the Raymond Chandler school.

Red Death" and "The Cask of
Amontillado" be far behind?
Naturally enough, these murders contribute to a rising tension in the plot. At first they
seem to be the random work of
a madman, and Conan Doyle
and his good friend Harry Houdini, the magician, find them of
merely theoretical interest.

Forced to think deeper about

But whoever is more spectral to whom, the two characters are well met because Conan Doyle

Hjortsberg's fiction.

In "Alp" (1969), his first novel, he parodied the mountain-

the Raymond Chandler school.

BRIDGE

By Alan Truscott

N the diagramed deal, from the Jim Becker Memorial Pairs. North opened three notrump, showing a solid minor suit, and South retreated to four clubs when August Boehm douhled with the East hand. Richard Margolis led a diamond to East would no doubt have led a the ten, queen and ace, and South drew trumps. Boehm could now place his partner with the diamond king, since South would have taken that winner if he had held it. winner if he had held it.

South led the spade queen from dummy, and East held up the ace, fearing that South had a king-jack combination. He won the next spade lead, and was now worried about the location of the heart jack. He cashed the heart king and his partner dropped the eight, a careful sig-nal to show that his hearts were as good as they could be in the circumstances.

Now East shifted to a diamond, forcing the dummy to ruff. When South led a low heart from the dummy. Boehm knew that he could afford to play low, defeating the con-tract, without running the risk that South would win the heart

jack and score the spade king. The result was down one and a top score for East-West, a useful step en route to victory. But what would have hap-

pened in three no-trump dou-bled? A routine lead of a spade would have permitted North to take the first nine tricks, but

4 Q 2 ♥ Q 7 8 ♦ 10 **4** A K Q 8 7 5 4 0 Q 8 S 4 SOUTH (0) ♥ 10 9 4 ♦ A J 7 6 3 ♣ 3 2

Pass Pass

· Chen Voon Fee, an architect and vice president of the Heritage of Malaysia Trust, is reading "City of Djinns: A Year of Delhi" hy William Dalrym-

ple.
"It's a striking evocation of New Delhi, tuncovering the city's many faces over the centuries, seamlessly weaving his-torical vignettes." (John Brunton, IHT)



And now, in "Nevermore." Hjortsberg gives us a copycat murderer who, at the point that Conan Doyle meets the ghost of ters of a century ago."

"Are you Poe, the poet?" Conan Dovle mquires of the form.
"I have that distinction," the apparition making marked that the focus of the form.

"I have that distinction," the apparition making marked the poured is the focus of t

whom the killer is really after. They even identify a suspect, Crosby Fletcher, a self-

crusade against those who say they have contact with the dead. And sure enough, the killer does go after each of them in

too seriously, since the author at the same time has great fun with the language and details of his period setting, from the slang mouthed by Damon Runyon, the reporter getting the inside dope on the case, to an account of the famous heavyweight boxing match that Jack Dempsey and Luis Firpo fought at the Polo Grounds in 1923.

Loving attention is lavished on the minute details of Houdini's remarkable conjuring abili-ties, from his knack for threading a needle with his toes, to his skill at retroperistalsis, or the facility to clench objects halfway down his throat.

If there is a more serious un-dercurrent in "Nevermore," it is the contest, sometimes friendly, sometimes angry, waged throughout the story over the issue of spiritism, or the ability of the dead to communicate with the living, which Conan Doyle strongly believes in and Houdini holds in passionate contempt.

That the plot ends up on the a madman, and Conan Doyle side of spiritism echoes a note that sounds in all of Hjorts-berg's entertainments: a belief that the material world is not Forced to think deeper about the murders, Houdini realizes that each victim was somehow this, he sees that he and possibly Conan Doyle must be "Toro! Toro!"

Take the take half world is her entirely to be trusted, whether represented by the technology he belittles in his science-fiction fahles or by the ritual behavior he makes fun of in "Alp" and "Toro! Toro! Toro!"

But not too much should be made of this. In writing this fictionalized adventure of nonopal Crosby Fletcher, a sea-styled reincarnation of Isis, the Egyptian fertility goddess, and a spiritual medium whom Houdi-ni has exposed as a hoax in his ni has exposed as a hoax in his ers one as well.

successive scenes that are powerfully dramatic and cleverly is on the staff of The New York

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By Stephen Kinzer
New York Times Service

ADRID - The night I visited Corral de la Moreria in Madrid, probably the world's most famous flamenco bar, the show was a stirring example of the best in flamenco. The stars were a pair of wellestablished dancers, the regal El Camborio and his fiery partner, Lucia Real. They clattered across the floor loudly and rhythmically, their hips and torsos swaying and shaking in creative combinations of classie flamenco moves. Like all outstanding flamenco artists, they kept their arms, hands and fingers in ceaseless, evocative motion. This aspect of flamenco is perhaps the most direct evidence of its roots in southern Asia, the original home of the Gypsies who developed it. Modeled after the 16th-century popular

theaters known as corrales de com Corral de la Morería is musty with tradition. A full menu is available, but most patrons around me made do with glasses of red wine, counting on the show to provide the evening's sensory delights. They were not disappointed. The dancers overflowed with emotion, and they were expertly accompanied by stylized guitar music and jaleo, the clapping and calling that is integral to the performance. The jaleros achieved a perfect balance between spootaneity and restraint, keeping rbythm while adding a rustic element that recalls flamenco's rural origins.

Flashy and colorful, wild but also highly ritualized. flamenco dancing has become an instantly recognized symbol of Spanish culture. Its rich history reflects that of Andalusia, the sunny and fertile region of southern Spain where it was born. It shows influences from the Islamic and Jewisb cultures that once flourished in the region, and even from Roman dances, which arrived 20 centuries ago. But it was the Gypsies who were to fla-menco "like rice to paella," in the words of the historian Fernando Quiñones, "the unifying and fundamental element."

Foreign interest in flamenco began as part of the wave of fascination with Spaio kindled by the Romantic movement, and attracted artists ranging from Gustave Dore to Rimsky-Korsakov to Washingtoo Irving. They and other early tourists in Spain often sought to visit academies where flamenco was taught, and in respoose to their interest, cafés cantantes opened in many Andalusian towns. It was their successors that I wanted to find.

My appetite whetted in Madrid, with three companions f set out for Seville, home port of conquistadors and Andalusia's largest and most important city. We traveled aboard the high-speed train that was built to serve visitors to the 1992

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El Camborio and Lucia Real.

world exposition there. The trip, which only four years ago lasted the better part of a day, now takes just two and a half

Romances between dancers and hullfighters are the stuff of countless legends and stories still told in Andalusia, so it was fitting that both of the flamenco bars we visited in Seville were in the shadow of the famous Maestranza bullring. The shows reflected very different aspects of flamenco's modern face.

El Patio Sevillano is a large room decorated in Andalusian patio style, with coramie tiles and engravings of the city. Patrons are often packed close together, although on the night we visited the place was oot crowded. The show was centered on hut not limited to classical flamenco. Some of the numbers were closer to ballet; others resembled popular dance. One was even performed to the recorded strains of the overture from "Carmen," which outsiders often take to be the quintessential Aodalusian anthem but which was composed by Georges Bizer, who was French, and has little if anything to do with fla-

The troupe at El Patio Sevillano totaled 14 dancers, guitarists and jaleros. As soon as one number was over, the dancers rushed upstairs to change into new costumes while others took the stage. This was a highly polished show. Purists might scorn some parts of it, but the performers were accomplished professionals. The jaleros added an

El Detective

y La Muerte

Directed by Gonzalo Suarez.

Gonzalo Suárez has blended

fantasy with fabulous screen

images in earlier films, nota-

bly "Rowing With the Wind" (1988) and "Doo Juan en los Infiernos"

(1991). He succeeds again in this fable of love, death and

raw power, especially with the unusual finale that am-

ply compensates for various

uneven sequences along the

way. The bad guy is evil in-

carnate, a corrupter of souls.

When his top henchman

harshly silences a crying in-

fant, the distraught young mother (Maria de Medieros)

seeks out Death's lair to win

back her baby. A moody de-

tective (Javier Bardem)

comes unwillingly to her aid. In the long night of the sto-

ry, they struggle against

characters who are con-

sumed by oarcissism and

their owo alter-egos, or

secthing with hatred as mod-

ern European racists. The

movie's hive tint immediate-

ly captures the eye, and

many scenes in the dead of

winter are haunting, backed

by a sound track including

air of authenticity to a show that was aimed principally at tourists.

The next night we visited a smaller tavern, El Arenal. Housed in a 17th-century building on a small, hard-to-find alley, its walls are covered with drawings of flamenco dancers and scenes of schoritas flirting with bullfighters. While the show was not as seamlessly choreographed as others we had seen, it was a dynamic collage of color and motion, probably the most authentic we saw in Spain. The dancers performed with unbridled emotion, seemingly heedless of the audience. This time I feel like I'm sitting around a Gypsy campfire," one of my companions said as we sipped our sangria.

We were disappointed to find no flamenco being performed in Cordoba during our visit, and traveled with high hopes from there to our final stop, Granada. It is always packed with tourists, and flamenco shows are part of the standard fare.

Following the recommendation of the concierge at our hotel, we chose a place called Jardines de Neptuno. We should have balked when the concierge told us that a bus would pick us up at the hotel and take us directly to the show. We began to worry when the bus stopped at several other botels, filled up with tourists, and then parked at our destination behind two other buses. Inside, the showplace was a three-sided arena with sloping rows like those at a sports stadium, and seats for 800 patrons. As far as we could tell, there was not a single Spaniard in the house, and understandably so. The show was painfully commercial, a virtually unrecognizable mixture of flamenco, salsa and other Latin styles.

OST of the performers at Jardines de Neptuno were Hollywood-pretty, but the choreographers were evidently unconcerned with authenticity. The spectators didn't seem to mind. They chartered loudly in English and German, and one man in the front row elapped incessantly along with the jaleros as if be were at a sing-along festival. In 1922, lovers of Spanish culture, in-

cludiog the composer Manuel de Falla and the poet Federico García Lorca, organized a flamenco festival in Granada in an effort to revive its classical roots. Aficionados who are in the city this year for the weekleng Flamenco Encounter in Granada (at a date still to be determined in either June or October) or in Córdoba for the Flamenco-Guitar Festival (two weeks in July) can follow suit by immersing themselves in the art of flamenco. A Spanisb-language guide, "Guia de Flamenco en España," is available through the Tourist Information Office, 7 Alameida Cristina, Jerez de la Frontera, Cádiz, Spain.

an evocative Vaughan Wil-

liams composition. The

viewer can hardly avoid

of evil ambition versus inno-

cence. (Al Goodman, IHT)

Directed by Sergio Rubini.

What is a man to do when he

receives unsolicited overtures

from the woman who runs his company? In "Presta-zione Staordinaria" (Work-

ing Overtime), Sergio Rubini

plays a copy editor at a mass-market book publisher whose

life is violently unglued as he tries to flee from his boss

(Ruhini's real-life wife, Margherita Buy), a man-cat-ing virago. Rubini withholds his favors, and induces Buy

to fall in love with him and to

start a new publishing part-nership that will print only quality literature. Not even

the Hollywood office come-

dies of the 1950s were this

trite. It is unfortunate that

two actors as gifted and ex-centric as Rubini and Buy

have allowed themselves to

be trapped into such an un-

imaginative, pedantic script. (Ken Shulman, IHT)

Prestazione

Italy.

Straordinaria



The troupe at El Patio Sevillano puts on a highly polished show, aimed mainly at tourists.

Now Renting: Venetian Islands

By Roderick Conway Morris International Berald Tribune

ENICE - "I tried to persuade the municipality to let me rent a deserted island a few years ago," said Filippo Va-lenti, a 50-year-old electrical engineer from Sicily who has lived in Venice for 25 years, but I didn't get anywhere."

"I'm fascinated by the lagoon and its fauna and flora, and as I went around it over the years, I became increasingly depressed at the neglect and degradation of its abandoned islands. But when f suggested to the authorities that I'd be willing to clear one up and look after it just for the pleasure of parking my sailing boat there from time to time, they seemed to think I was

Valenti realized his ambition. nonetheless, just before Christ-mas when the ftalian state auctioned the first of a series of islands, Monte Oro, on six-year leases. With only one other bidder, Valenti secured his 4,200-square-moter (45,000-square-foot) handful of paradise in the wilds of the oorth of the lagoon for an annual rent of 1.235 million lire (about \$770). "It's a kind of atoll, with Monte Oro at the center, with lovely views of Torcello and Burano. It's also where the fresh water of a river meets the salt water of the lagood, and a wonderful place to observe the buge numbers of migratory birds that stop off

The leases of two other islands are to be auchooed off next week: Sant'Angelo delle Polveri (Tuesday, starting price 9 million lire a year) and the Ottagano Ca' Roman (Wedoesday, starting bid 2.4 million lire). And it is expected that other islands should become available later in the year.

"Many of these islands bave has an area of more than 5,000 used islands in the lagoon, some been abandoned for 50 years or square meters, several buildings of which have magnificent more," said Carmelo Janni, the director of the technical section of Venice's Treasury Office, also a Sicilian who long ago left his native island. "And, for once, it is a state administrative

- when the state is so often seen as representing inaction, slowness, immovability! - that has been able to get something going with the is-There are more than 40 of

them in the lagoon, apart from the main inhabited ones, like those that make up Venice itself. Some are owned by the municipality and others are private. The state owns more than a dozen - many of them former convents and monasteries. Napoleonie era, and forts that belonged to the government during the Venetian Republic.

"The reason we want to rent them out is not mainly to raise revenue but to stop them going to wrack and ruin, because we simply don't have the resources to maintain them. One of the islands we were intending to auction in December was a military octagon, which was withdrawn because the archaeological services said it was of exceptional interest - and that was fine by us, because now they will be the ones to look after it and safeguard its fu-

ANNI said he would be watching with particular interest next week to see wbo might take up Sant'Angelo delle Polveri. Lying between Venice and Fusina on the mainland, the island was once a Benedictioe convent. then a gunpowder magazine (hence its epithet, "of the powder"), which spectacularly blew up in 1689 when it was struck by lightning. Rebuilt and used again as a munitions depot, it

The island auctions are open to all comers, but bidders or their representatives must be able to identify themselves and make a deposit of 10 percent of the starting price to participate. All islands are offered oo sixyear leases, which can be renewed only by returning to

The shortness of the leases could obviously deter those mterested in some of the larger



islands due to become available, where costs of clearing, restoration and maintenance could be considerable. Principal among such state-owned properties are Poveglia and Lazzaretto Vecchio, close to the lagoon-side shore of the Lido. both used as quarantine islands by the Venetian Republic. Poveglia has extensive orcbards and vineyards, and both bave oumerous buildiogs. For is-lands like these, said lanni, "we are boping that another system of leasing can be found and we are working on this

Meanwhile, the municipality which is responsible for many of the most attractive dis-

churches, monastic buildings and superb. if neglected, gardens -is renewing its efforts to, attract potential tenants, with the possibility of granting long leases. (Some former hospital islands officially belong, as from the beginning of this year, to the local health authority. but remain within the municipality's sphere of interest, since alternative uses must be approved by the city authorities.)

Marco Agostini, director of the Municipal Properties Of-fice, said, Massimo Cacciari, our mayor, has invited whoever. is interested to put forward plans for new uses for these islands, given that public funds are still not available, and he does not want to delay the any longer - and we are hoping that some interesting and viable projects will emerge."

One of the most enticing

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propositions is San Clemente; which bas some fine monumental architecture, courts and gardens (and is only a few minutes by boat from Piazza San Marco) and has been in the sights of Club Med. Since ceasing to be a mental home, San Clemente has been on loan to Dingo, Venice's animal welfare organization, and more than 300 stray cats. Amid a chorus of mcowing and frolicking cats audibly tapping the line. Maria-Grazia Macaluso, who runs the clinic there, confirmed over the phone that Dingo bad just been offered alternative premises on the Lido so any tenants should now have the prospect of baving the

entire island to themselves. The next Italian state island auctions will be beld at the Ufficio del Registro di Venezia Cannaregio 4314, at 9.30 A. M. on Tuesday and Wednesday. For information: Ufficio Tecnico Erariale, Riva del Vin, S. Polo 764/E; tel: (041) 522-3476, or Servizi Demaniali; Campo Sant'Angelo, S. Marco 3540, tel: (041) 528-3335.

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■ A young man in the southern Indian city of Coimbatore has made his 85th attempt to get ioto the Guinness Book of World Records by eating two four-foot-high rose bushes in

one and a balf bours (sorry, we have no idea what the current record is, if there is one). Previous capers, according to the Press Trust of India, have included spending time in a cage

with poisonous snakes and swallowing 36 raw eggs. Next: eating 625 chili peppers. Nice work if you can get it.

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HOLIDAY INN EXPRESS

Seeking Value in a Buyers' Market

By Roger Collis

USINESS travel is bouncing back from the dark days of the recession, the soothsayers say, but with a difference. According Io the 1994 Corporate Air Travel Survey of 1.025 frequent loog-haul travelers, published by IATA, while travelers continue to report decreased travel budgets, nearly a third said they were traveling more. Executives who learned to build business from the back of the place are meaner and leaner and more sensitive to value. Emerging from the recession is a new ethos in business travel against conspicuous con-

Whether this message has reached the travel trade is arguable. Hotel groups notably Choice Hotels, Novotel and Holiday Inn - give business travelers budget options (even Shangri-La, the luxury Asian chain, is cautiously introducing Traders, a no-frills brand) and serviced apartments are ever more popular for travelers who want space, privacy, flexibility — and value.

Most airlines — especially large intercontinental carriers - cling to the belief that they will recapture those high-yield business passengers (20 percent of traffic but 60 percent of revenue) who are traveling more by offering ego trips in business elass rather than more sensible fares.

Cutting fares for high-yield passengers is a slippery slope for airlines. Instead they have managed to debase the class system with a blizzard of promotions and deals. from free upgrades and half-price "companion fares" to "two-for-one" offers in first and business elass if you pay the full

Continental says it has "rewritten the rules" for business travelers flying full economy with its new Corporate Economy Fares, up to 40 percent less than normal economy fares with other carriers. Mike Carter, general manager U.K. for Continental, says: "A growing number of executives are now obliged to fly economy. But they want a balance between flexibility and cost."

"More people are traveling. And some companies who have moved down a cabin never come back," says Graham Atkinson, general manager of United Airlines in London. "The key now is value for money, perceived value. For every company 1 could quote you who has moved to the back cabin, I can find you another who say, our people are always going to travel business class out and first back.

Bad news for airlines is often good news for travelers. Too many airlines trying to sell too many seats should translate to a buyer's market with greater choice and keener prices. And indeed, IATA reports that in 1993 airlines flew 106 million empty seats around the world. "But as we come out of the recession, I think we're going to see a closing of the gap between capacity and profitable demand," Atkinson says.

This is certainly the case with airlines that have continued to show profits dur-ing the recession, such as British Airways. Singapore Airlines and Southwest Air-

The Prequent Travelet

lines in the United States. Others, such as Lufthansa, Northwest, KLM, United and Qantas are moving into profit while others, such as Air Canada, American Airlines and Delta are taking drastic action to ensure their recovery.

Airlines are giving top priority to alliances and partnerships as a means of gaining access to each other's markers. For some airlines the issue is growth; for others it is survival.

Strategic alliances, such as KLM and Northwest, Lufthansa and United, BA and USAir, SAS and British Midland, American and Japan Airlines, Swissair and Delta, JAL and Air France, range from equity swaps to marketing agree-ments, code-sharing and frequent-flier partnerships. They work best for the traveler when they benefit from single reservations and check-in service and smoother connections at shared terminals.

Code-sharing, the simplest, most widespread form of airline cooperation, in which two or more airlines agree to use the same flight number for connecting flights, can offer more choice for travelers and a 'seamless service" — one boarding card for a multisector itinerary. For example, a Swissair trans-Atlantic flight between Atlanta and Zurich is also sold as a Delta

flight with the same flight number.
It can also take the form of a "blocked seat" arrangement, whereby one airline sells seats under its own code in another carrier; or a franchise, whereby one airline pays another for the right to carry its name. You never know these days whether the airline you booked is the one you will

A cross-cultural experience awaits Alitalia passengers bound for Boston or Chicago, who will board aircraft painted in Alitalia colors only to find themselves on an Ansett plane crewed by Australians kitted out in Alitalia uniforms — and presumably serving Australian tucker in-stead of the usual Italian fare.

Swissair and Austrian Airlines will be-gin a joint trilateral Vienna-Geneva-Washington service with Delta Air Lines from the start of the summer 1995 sebedule. The flights will be operated by an Austrian A-310, but will carry flight attendants from all three carriers.

Buzz words to watch out for in 1995 are "ticket-less travel" — a distribution revo-lution that began quietly in the United States last summer — and so-called "lite" carriers, modeled on the highly successful low-cost, one-cabin, no-frills Southwest Airlines.

Ticket-less travel enables airlines to slash up to one-seventh from their operating costs, concomitantly reducing the travel agent's role (no tickets to issue), and hence his commissioo.

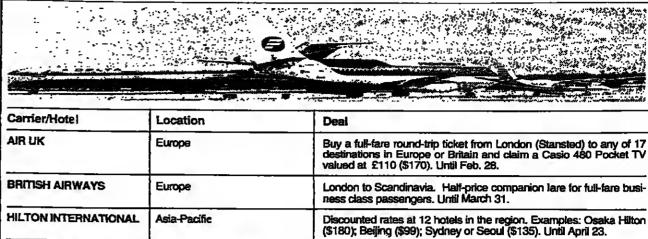
The most common forms of electronic ticketing — used by Southwest and Unit-ed's "lite" subsidiary, Shuttle by United, provides a simple booking confirmation number that you then use to eheck in at the gate. Delta frequent fliers already use a Smart Card with a microchip that enables them to purchase travel directly at the gate. Lufthansa and SAS are testing ticket-less travel on domestic routes.

EANWHILE, Swissair is working on a ticket-less "lite" carrier, and a new "lite" carrier, EuroBelgian Airlines Express, offering one-class service, low fares, and a paperless booking/eheck-in, began services last November from Brussels to Vienna, Rome and Barcelona.

Faced with the threat of ticket-less travel and reduced commissions, travel agencies arc focusing on "added-value" travel management services, working on a fee basis with corporate accounts.

Travel Network, a major travel agency chain in the United States, bas launched its own frequent-flier program called Matching Miles, which could set off a competitive worldwide battle for the business travel dollar.

Each time you buy a ticket on American, America West, Continental, Delia, Northwest, TWA or USAir, Travel Network gives a Matching Miles credit that counts toward a free ticket. Matching Miles has nothing to do with the airline FFP. So travelers can earn two awards at the same time - one from Travel Network and one from the airline.



HOLIDAY INN Hong Kong Winter package lor 1,450 Hong Kong dollars (\$185) a night GOLDEN MILE (single/double) includes airport transfar, welcome drink, use of health club and buffet breakfast. Until March 20. HYATT REGENCY Special rate of 1,230 Hong Kong dollars (about \$160) a night (single/double) in "superior" room, for minimum of three nights, Hong Kong includes buffet breakfast; hotel souvenir; and late check-out. Until

United States/Canada

INTER-CONTINENTAL **Buenos Aires** Introductory rata of \$150 with breakfast. Until Feb. 28. Economy class fare Irom Hong Kong for 13,900 Hong Kong dollars (about \$1,800). Normal price 16,350 Hong Kong dollars. With unlimited stopovers. For example: Hong Kong-Tokyo-Los Angeles-Toronto-Amsterdam-Düsseldorf-Stockholm-Hong Kong. Must NORTHWEST/KLM Round-the-World book between Feb. 16 and May 31.

RITZ-CARLTON **New York** "Winter in the City" package for \$350 a night in "superior" room and \$425 per night in park-view room (single or double) includes sweat-shirts, cocktails, American breakfast, and use of fitness center. Friday, Saturday, or Sunday. Until April 2. Britain/Ireland to "Fly SAS Stay Free" promotion offers business-class passengers first night free (with breakfast) at 19 participating SAS Hotels, and 30 percent discount for subsequent nights. Subject to availability: hotel must be booked through SAS before departure.

SHANGRI-LA HOTELS Asia Up to 50 percent off normal rates with Winlar Promotion; plus doubla mileage for FFP members of Mileage Plus, WorldPerks and Passages. Until Feb. 28. SHERATON "Superior" rooms for \$115 a night including airport transfers, Shanghai

HUA TING HOTEL American buffet breakfast for two, use of health club and check-out tīli 4 P.M. Until March 31. SHERWOOD HOTEL Taipei Special rate of 6,800 Taiwan dollars (\$258) a night in "superior" room includes dinner for two with bottle of wine; buffet breakfast; use of sauna, pool and gym; and welcome fruit basket. Until Feb.

Two-for-ona when you pay full-fare business or economy class. Must book by Jan. 31 for travel before March 15. Britain to United States UNITED ARAB EMIRATES Asia to Europe First or business class travelers from Hong Kong to destinations in Europe can claim a two-night "Luxury Break" at a five-star Forte hotel in Dubai on their outward or return journey. Until May 31.

Although the E-IT canalisty checks \$1000 Offers, please be forewarmed that some travel algority may be previous of them, or unable to book them

AUSTRIA

Kunstforum der Bank Austria, tet: (1) 711-91-5731, open deity. To March 12: "Emit Nolde." An extensive and impressive collection of works by the German Expressionist painter who participated in the Bankle organ and the resolutionary. Brucke group and the revolutionary

Neue Sezession. Neue Sezession.
Kunsthistoriches Museum, tel: (1)
52-177-489, closed Mondeys. To
March 26: "La Prima Donna Pittrice:
Solonisba Anguissola." This is the
second exhibit of a series dedicated
to lamous women of the Renaissance, in which approximately 50
paintings demonstrate the painter's
talent with portaits. talent with portraits.

BRITAIN

Cambridge Fitzwilliam Museum, tel: (223) 332-900, closed Mondays. To April 9: "Rubens and his influence." Rubens's influence on his contemporar ies and foreign artists in the 18th and 19th centuries is shown through his drawings and those of his contempo-rares, Brueghel, Van Dyck and Jor-daens, as well as in the works of subsequent arists such as Watteau. Delacroix and Degas.

Barbican Art Gallery, tel: (71) 638-4141, open deily. To May 7: "Impres-sionism in Britain." The first major exhibition to examina tully the development of the Impressionist move-ment in Britain at the turn of the century Mora than 200 works by more than 100 artists including Clau-sen, Conder, Degas, Knight, Lavery, Monet, Pissarro, Sickert, Sisley, Stokes and Whistler.

Stokes and Whistier.

The National Galilery, tel: (71) 8392321, open daily. To March 26: "The Age of Elegance." This collection of 18th-century Dutch paintings, on loan from the Rijlesmuseum, ranges from echoes of Rembrandt's style in the work of Arent de Gelder, in the proto-Romantic landscapes of Gerard van Nijmegen. Also included are works by Isaack Ouwater, Wybrand Hendricks and Jan Vermeer.

Serpemtine Gallery, tel: (71) 4026075, open daily. To March 12:
"Man Ray." Man Ray is known for creating work in all media, moting photography with painting, creating "painting" with light, embodying Illusions in his three-dimensional objects.

CANADA

Toronto
Art Gallery of Ontario, tel: (416)
977-0414, closed Tuesdays. To April
9 "Thomas Struth: Strangers and
Fnends." More than 40 photographs by the German contemporary pho-tographer, dedicated to the psychic state of the modern metropolis and to

CLOSING SOON

On Jan. 22: "The Thaw Collection: Master Drawings and New Acquisi-tions Plerpont Morgan Library. nions Plerpont Morgan Library, New York. On Jan. 22 Faces of the Golden Age: The Dutch Portrait in the 17th Cantury." Kunsthel Rotterdam,

Rotterdam.
On Jan. 22. "Satisfying Companions:
Prints Drawings and Sculptures Irom
Gauguin to Picasso." Art Gallery of Ontario, Toronto. On Jan 22: "Milton Avery: Works on Paper: "National Gallery of Art, Paper." National Gallery of Art, Washington. On Jan. 24: "A Century of Artists Books." Museum of Modern Art,

DENMARK

Louisiana Museum of Modern Art, tel: (45) 42-19-07-19, open daily. To March 19: "Lewis Battz." Works by the Californian contemporary photographer focus on the effects of increasingly pervasive urbanization and industrialization.

Farts
Fondation Cartier pour l'Art Contemporain, tel: (1) 42-18-56-77, closed Mondays, To Feb. 19: "Herbert Zangs: Oeuvres 1952-1959."
More than 30 works of art by the "pioneer of monochrome."

sée du Louvre, tel: (1) 40-20-Number of Debuye, let. (1) 40-20-51-51, closed Tuesdays. To April 17: "Les Effets du Soleil: Almanachs sous le Règne de Louis XIV." More than 50 calendars dating from 1661 to 1715 offer an original outlook on France under Louis XIV.

GERMANY

Brocke-Museum, tal: (30) 832-2029, closed Tuesdays. To Feb. 26: "Erich Heckel: 82 Neuerwerbungen

lection of drawings and watercolors by the German Expressionist artist, who was one of the founders of Die Brucke,

JAPAN

Tokyo National Museum of Western Art, tel: (3) 3828-5131, closed Mondays. To March 5: "German Woodcuts of the Reformation Age." 16th-century German woodprints from the Gotha City museum in Germany, including works by Durer and Cranach, as well as political and religious satires.

LUXEMBOURG

Luxembourg Casino Luxembourg, tel: (352) 22-50-45, closed Mondays. To March 26: "Luxe, Calme et Volupte: Regards sur le Post-Impressionisme." Major artistic themes of the turn-of-the-century are represented in more than 150 paintings, including interiors by Bornard and Vulliard, still lifes Irom Cezanne to Odilon Redon, land-spaces from van Gooh to Velfotton scapes from van Gogh to Vellotton and portraits from Gauguin in Ma-

Zeichnungen und Aquerelle." A se- Fundació Joen Miró, tel: (93) 329-

1908, closed Mondays. To March 5, "Balconies." Two arrists and a phi-losopher explore art's relationship with politics, economics and industry, through installations in urban ar-

UNITED STATES

Los Angeles

Los Angeles Music Center Opera, 1el: (213) 972-9211. Peter Salars's production of Debussy's "Pellees et Metisande," conducted by Esa-Pekka Salonen, with Monica Groop and François Le Roux.

San Francisco

Museum of Modern Art, tel: (415) 357-4000, closed Mondays. In its new downtown facilities designed by Swiss architect Mario Bolta, the Museum of Modern Art has a new per manent exhibition entitled "From Ma tisse to Diebenkom: Works from the Permanent Collection of Painting and Sculpture." Features approximately 250 works that give an overview of painting and sculpture from 1900 to 1980.

Washington

Corcoran Gallery, tel: (202) 538-1439, closed Tuesdays. Tn Feb. 20: "Countdown in Elernity." Benedict J. Fernandez's photographs commem

Herald Eribune.



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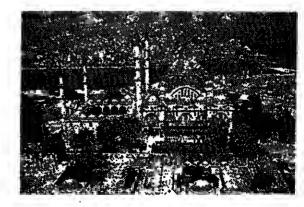
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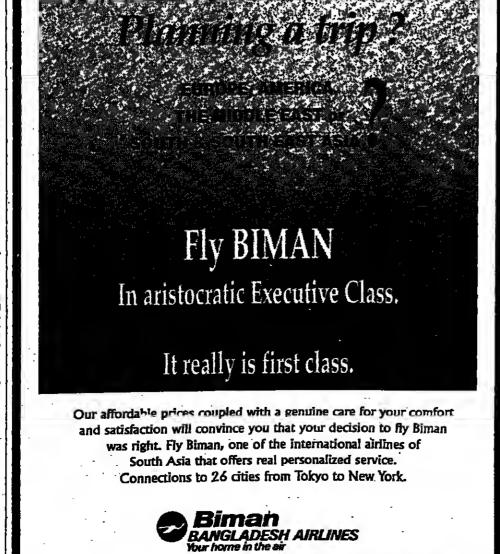
Istanbul, Süleymaniye Mosque

For further information, the detailed program and registration forms, please contact

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For May 1995, the IHT and Thomas Cook are also planning a trip to Moscow and St. Petersburg. If you are interested, please contact Thomas Cook at your earliest convenience.



For booking and further information, please contact your travel agent nr the Biman office nearest you.

By Clyde Haberman

New York Times Service
EREZ CROSSING, Gaza Strip —
Prime Minister Yitzhak Rabin assured

Yasser Arafat on Thursday that Israel

would not approve new settlements in the West Bank and that any construction

in existing Jewish communities there would be closely monitored.

hoped to defuse a crisis over settlement expansion that had jeopardized his nego-

tiations with Mr. Arafat's Palestinian

Authority on extending Palestinian self-

rule beyond its present confines of the

Gaza Strip and the West Bank enclave of

For the moment, he seemed to have

After meeting here with the Israeli leader, Mr. Arafat signaled clearly that

he wanted to avoid a showdown over

settlements. His eye instead was on sus-

taining talks intended to give him day-to-day control over the entire West

Continued from Page 1

Egypt's position on the nuclear arms ac-

cord was nonnegotiable, according to

Alarmed at the worsening atmosphere, President Ezer Weizman of Israel tele-

phoned President Hosni Muharak of

Egypt on Monday night for a discussion designed to ease tensions," according to

both sides are seeking to harm the peace process but the time has come to restore

Weizman noted that extremists on

Politicians and commentators in Israel

Arye Shumer, a Weizman aide.

With those assurances, Mr. Rabin

la fig 100

12 De 1

Which from

News,

widely known that the state hishops are against it." But the Catholic Church says the condom issue is being blown out of proportion to make the church a scapegoat

for the government's failure to finance AIDS care and prevention programs adequately. A Gallup poll commissioned by the Argentine government in August found that 90 percent of those surveyed knew the risk

factors for contracting AIDS, hut that only one in 10 said they used condoms.

Dr. Astarloa said her main concern was persuading the government to spend more money on AIDS programs.

For Yeltsin, a Costly 'Victory' War Has Sharply Eroded His Power Base

By Michael Specter

MOSCOW — After six of the bloodiest weeks in recent Russian history, President Boris N. Yeltsin emerged from semiseclusion on Thursday and said that the war for Chechnya was effectively at an end.

He said it not because it was true, but because Russian troops, after losing thousands of soldiers in the disastrous assault on Grozny, had finally taken hold of the presidential palace, the deserted, smoking ruin that had been the central symbol of the Chechen drive for independence.

was in control of the country he nominally runs. For that reason, too, on Thursday he finally fired three senior Defense Ministry officials who bad

NEWS ANALYSIS

been critical of the war. General Boris V. Gromov, who commanded the Soviet withdrawal from Afghanistan, General Georgi Kondratyev, and General Viktor Mironov were all relieved of their jobs as deputy defense ministers.

Nobody was fooled into thinking Mr. Yeltsin has become forceful again. Any other leader would have stripped the generals of their jobs weeks ago. In fact, if anything is clear from the hapless, painful adventure in the secessionist southern republic it is that Mr. Yeltsin — and democracy in Russia — have suffered terribly since 40,000 troops were sent to the Caucasus

The utter brutality of the assault on Grozny has cost Mr. Yeltsin the support of liberals at home and abroad and raised serious questions

a bout his ability to govern.
"This has not been like Afghanistan," Major
General Sergei Zdorikov, a Defense Ministry political officer, said Thursday. "It is far more horrible and dehilitating than that."

And, Mr. Yeltsin's assertions aside, this war is not yet over. There can be little doubt that the political pain, particularly for the Kremlin, has only begun. It has been years since leadership decisions there have been so closeted, poorly explained and contradictory. Mr. Yeltsin has made only two public appearances since the war

began, both times on television. He appeared unable, or unwilling, to stand up to people who were openly and persistently in-

All three of the men Mr. Yeltsin fired Thursday had been harshly public in their attacks on

Kohl Backs Yeltsin as Ally,

But Assails Grozny Assault

BONN — Chancellor Helmut Kohl on Thursday said he was proud to be a friend of President Boris N. Yeltsin of

Russia but condemned the bomhing of civilians in Chechnya

and warned Russia that it was putting its reputation on the

Speaking in an emotional parliamentary dehate on Chechnya, Mr. Kohl, Mr. Yeltsin's staunchest Western ally, rejected leftist opposition charges that he was dragging his feet and

not doing enough to end the war.

But be said the Russian bombing of civilians in Grozny was "a catastrophic development" and was no way to achieve a peaceful solution. "We decidedly reject it," he told Parlia-

SARAJEVO: No Sign of Peace

Continued from Page 1

sniper Tuesday. Plans to ex-

change liaison officers have

brought only a paralyzing

standoff between the Bosnian

Nations in Tuzla.

government and the United

The UN commander, Lieu-

tenant General Sir Michael

Rose, visited the area Wednes-

day in the hope of persuading

government forces to end a

blockade of his peacekeepers,

The front lines of the rival

armies were supposed to pull

back to allow the interposing of

UN troops, but this has not

happened. Vital roads at the Sa-

rajevo airport were supposed to

be exchanged, but remain in de-

iention. Croatian Serhian

troops were supposed to with-

draw from the Bihac area, and

Croatian Army units from the

Livno region, but both remain

The basic reason for these

failures is clear enough: With

no prospect for a political set-

tlement, there is no real incen-

tive for either side to prepare

for anything other than more

fighting.
The U.S. ambassador to Bos-

nia. Victor Jackovic, left

Wednesday for the United

States for consultations aimed

at reviving international peace

proposals that have been on the

table for six months without

producing a flicker of bope for

in Bosnia.

Prisoners were supposed to

open, but they remain closed.

but be did not succeed.

Serbs, who would have to give

up a third of what they bold.

Endless international contor-

altered the Serbian rejection of

But the so-called "contact

roup" of mediators - the

United States, Russia, Britain,

France and Germany - insists

that the map must be accepted as the prelude to any new politi-

cal talks. But no leverage exists

to bring about such acceptance.

the Serbs had been outlined

military, economic and psycho-

logical. The first has been aban-

doned. The second has not

worked; prices in the Serbs'

Bosnian stronghold of Pale are

scarcely higher than in Bel-

grade. And the third evaporated

when international talks with

already drawing its conclusions.

This week, Ejup Ganic, the vice

president of the Muslim-Cro-

atian federation in Bosnia, said,

"We will respect the cease-fire

The Bosnian government is

the Bosnian Serbs resumed.

the government, particularly the articulate, out-spoken General Gromov, who from the first days of the war accused the Russian military, which many people thought he would one day lead, of using "barbaric methods," of being poorly prepared and of having little chance of winning without agony and many deaths. There has been no real evidence presented to contradict his

Mr. Yeltsin on Thursday also signed a decree transferring Colonel General Eduard Vorobyev, first deputy commander of Russia's land forces, od of the Chechen drive for independence.

And he said it because he wanted to prove he refused to lead Russian forces to battle in Chechproperly prepared.

All these actions have been carefully orchestrated to portray the president as a powerful man who can make a tough decision. But too many people remember him saying on more than one occasion that the bombing must stop. They were flat statements that his military leaders never

"Russia is now governed by a military-civilian junta disguised as the National Security Council," said Alexei Manannikov, deputy chairman of the upper house of Parliament's international affairs committee. The Security Council has no right running this country. If it continues, Russia will be ripe for an authoritarian dictatorship."

That has become a frequently voiced concern, although as yet there has been no sign of any-thing resembling the police-state mentality of the past seven decades. Yet Russia cannot honestly be described as a parliamentary democracy, ei-ther. Its constitution, Mr. Yelisin's chief armament, has been used almost exclusively to concentrate power in the stern hands of the Security

Mr. Yeltsin issued a solemn statement on

"I bow my head to the soldiers killed in this conflict. And to those victims among the civilians, I express my condolences to the relatives and next of kin. Let the tragedy experienced by Russia, Russians and the Chechen people teach a

lesson to peoples and politicians. He will clearly be among the many to feel the lessons of that tragedy. There is little likelihood that he will be overthrown in a coup - there are few good candidates to carry it out - and it seems almost unnecessary. Yet, there is no clear replacement for Mr. Yeltsin, particularly among the democrats who bave tried to nudge Russia toward a more open society.

GROZNY: Stronghold Falls

Continued from Page 1

guards, but his whereabouts are

The Chechens' withdrawal from the palace was apparently as well organized and executed as the defense that they have mounted from the beginning of the year. Starting at around 10 P.M. Wednesday, the rebels fired rocket-propelled grenades at Russian forces a few bundred yards away to cover their fighters, who left the palace and retreated in five main groups.

The Chechens were apparently able to withdraw from the palace without beavy casualties despite the presence of thousands of Russian troops who had pressed to within a few hundred yards of the huilding on three sides. tions in recent months have not

"It took about five minutes for each group of 100 men to leave," said Mr. Zuhbadjieyev. "We were in white camouflage. No one was shooting. The whole thing took about two

Singapore Reacts

Agence France-Press

SINGAPORE — Singapore expressed surprise on Thursday over criticism by the U.S. State Department of a High Court ruling here finding the Interna-tional Herald Tribune and an American academic, Christopber Lingle, guilty of contempt. The State Department described the verdict as "unfortu-

agreement, but only when the Serbs accept the contact group This, however, is a remote possibility. The Clinton admin-Its spokesman said that the

istration knows this, and knows it will again face the politically explosive question of lifting the arms embargo against Bosnia at about the time the four-month cease-fire expires.
"We realize we have just over three months, at best, before a

roducing a flicker of bope for settlement.

Those proposals consist of a resumption and probably a worsening of the fighting," said one U.S. official. "The problem map offering 51 percent of Bosnia to a Muslim-Croatian federation and 49 percent to the ideas."

Three forms of pressure on

To U.S. Critics

"The trial of this case was in open court where all the parties were represented by their own counsel, except for Lingle, who failed to appear," the Foreign

legal proceedings involving an opinion-page article published in the IHT on Oct. 7 were "transparent," and that the facis and legal arguments in court showed clearly the case had nothing to do with freedom of expression. "We are amazed that the State Department has chosen to ignore these facts," the spokesman said.

COUNTRIES

complain of the seeming reluctance by Arah world. Egypt to improve relations between the Those relations had seemed to be warmtwo countries. They note, for example, that ing of late, with Israel wrapping up sepawhile Prime Minister Yitzhak Rabin of

country and Israel.

Mr. Arafat talking Thursday with Foreign Minister Shimon Peres, left, and Mr. Rabin after the Gaza Strip meeting.

No More Settlements, Rabin Tells Arafat

have some day.

But Mr. Rahin's remarks did not guar-

antee an end to disputes about settle-

ments, or confusion over what precisely his policy is. Mr. Arafat, too, was not fully happy. Asked at a news conference if he was satisfied with what be had

beard - yes or no - he replied: "Some-

Both men were well aware that mili-

tants on each side would keep trying to

undermine their talks -- Islamic gunmen

by killing Jews and some Jewish settlers

at Palestinians claim as theirs.

staking out more West Bank territory

After a rise in Arah terrorism and

other attacks over the last year, many

fsraelis worry that the situation will only

worsen if the Palestinians regain control

convinced that settlers have been abetted

by the government in gobbling up as

much land as possible, especially around

Israel has made several trips to Egypt, Mr. Mubarak has yet to set foot in Israel de-

spite repeated invitations during his 13

years in office.

Egyptian officials contend that Israel

has reaped the benefits of peace while

TREATY: Egyptian-Israeli Relations Strained Over Nuclear Treaty

For their part, many Palestinians are

where in between."

of the West Bank.

Bank, not just Jericho — a big step Jerusalem, in advance of a transfer of toward the full-fledged state be hopes to

vere quake in the capital might kill 9,400 people. Partly because Tokyo resi-

dents have been taught to expect an earthquake, they are far more prepared than the citizens of Kobe. They are even more prepared now because they have been huying up flashlights and emergency supplies in the last few days, apparently inspired hy the television scenes from Kobe.

Part of the apprehension about an earthquake comes because in some respects the Kobe quake should have been relatively manageable. It was not followed by a tidal wave, as often happens with earthquakes centered in the ocean. In addition, it occurred in the early morning, before commuters were on the streets.

Jet Mishap in Nuremberg

FRANKFURT - A Lufthansa Airhus 310 skidded off an icy runway at Nuremberg Air-port as snow and sleet blanketed parts of Germany, causing hundreds of road accidents Thursday. None of the 139 people aboard was injured.

ACCESS NUMBERS

0042-067-187

Continued from Page 1

bris on Thursday, including a saved after ber howling dog, marking the spot where she was buried, alerted rescuers. But almost all of the other

200 missing people uncarthed

shocks, fires and poor sanitary conditions. Many buildings are barely

standing, or leaning on some-thing else," said a relief official. 'A big aftershock could topple them over."

were at or near freezing.

City officials said it would take up to a month to restore drinking water to much of the city. Trucks and army water tankers became snarled in huge traffic jams on the few narrow roads that were open. Officials

Golan Heights to Syria. President Hafez Assad of Syria has called the return of the mitments to Palestinian self-rule. Golan a condition for peace between his Egypt has long played a pivotal role in the Middle East peace process, and us

and Israel have stalled and pessimism bas deepened in Arab countries over Israel's willingness to follow through on its com-Israeli officials, meanwhile, were an-

relations with Israel are seen as a barometer of relations between Israel and the

gered by the meeting last month of Mr. Mubarak, Mr. Assad and King Fahd of

Morocco under U.S. sponsorship. failing to yield substantive concessions on nuclear arms, on the final shape of Pales-tinian self-rule and on the return of the

rate peace deals with the PLO and Jordan

"There are difficulties," Mr. Rabin

said. "The Israelis are bothered by the terror, the Palestinians by the settle-

ments and land. We have to focus on the

continuation of negotiations to imple-

point of view on the way to achieve what

we believe will bring a beginning of the end of the Palestinian-Israeli conflict,"

Mr. Arafat told the Israelis that, while

his focus was on putting in-principle agreements on widening Palestinian au-

thority into effect, "we can understand

your needs for security."

That remark, made more than once in

recent weeks, suggests he is ready to drop

a previous insistence that Israel with-draw its occupying forces from all Arah

towns and villages in the West Bank in

advance of elections there that form the

core of the next stage of Palestinian self-

ment what we are committed to. "Terror is the main obstacle from our

Since then, however, talks between Syria

and embarking on negotiations with Syria and Lebanon. Last fall, the Gulf states also hlame some people, who lifted their boycott of companies that do business with Israel, and Israel took part in a Middle East economic meeting held in

maybe go to Mass every Sun-day, but then visit motels, and they don't use condoms," she said. "When you talk to them about AIDS, it is a taboo subject. This is all very hypocriti-

De Klerk

Denies He

To Resign

Is Planning •

Compiled by Our Staff From Disputches

JOHANNESBURG — Sec.

ond Deputy President Frederik

W. de Klerk described serious strains in South Africa's coali-

tion government Thursday, but said he had no intention of quit-

There is no truth in the alle

gations that I have resigned, he said in a speech to the women's caucus of his National Party

Rumors of his resignation had:

emerged earlier Thursday, de-pressing prices on the Johan-nesburg Stock Exchange

R. F. Botha, another Nation-

al Party member of the cabinet.

said relations between his party and President Nelson Mande

la's African National Congress

were deteriorating over allega-tions that the National Party

had tried to grant annesty to, 3,500 police officers in the wan-

ing days of its apartheid gov-

Parks. Mankahlana, spokes-

man for Mr. Mandela, later said

Mr. de Klerk did not intend to

resign and the National Party

was not considering withdrawing from the government of na-

tional unity.
"It is absolutely not true," he

Mr. Mandela, touring Johan-

neshurg schools, refused to

comment on the matter. Asked

whether the national unity gov-

ernment was in jeopardy, he re-plied: "Let's keep the questions on education issues."

The National Party insists

that the amnesties for political

crimes were applied for but

never granted, and that there was no attempt to sneak them

"A terrible, inexplicable mis-

understanding has occurred," Mr. Botha said. "The ANC be-

lieves that somehow we as a

government plotted or engineered this, or that there was a

covert action on a massive

GRAFFITI:

Fighting AIDS

al According to govern-

ment statistics, there are 39

AIDS cases for every I million

people in Argentina, compared

with 73 AIDS cases per 1 mil-

lion people in Brazil.

At the end of October, Ar-

gentina had registered a total of 5,261 cases of AIDS since 1982,

but government officials said

they believed the real number

was 10,000 to 12,000 because of

Government health officials

(AP, Reuters)

scale. It is not true.

through.

ernment

Argentina, which has a population of 33 million, has the second highest number of AIDS cases in South America, behind

Saudi Arabia in Alexandria, Egypt. The Israelis interpreted the meeting as an endorsement by Egypt and Saudi Arabia of Syria's negotiating position on the Golan

TOKYO: Concern About Readiness QUAKE: Tragic Toll Rises in Kobe

Continued from Page I

need to create crisis manage-

normal, good

Shumer said.

The Tokyo Metropolitan Fire Defense Agency has re-

leased estimates from computer models, and they are not encouraging. A quake measuring 7.2 on the Richter scale, occurring at 6 A.M. in central Tokyo, would kill or injure 68,000 people, the projection suggested. It did not break the figure down between deaths and injuries.

Other scenarios would produce fewer casualties. A 6 P.M. quake centered in the Tokyo suhurban neighborhood of Ta-chikawa, with a magnitude of 6.5, would kill or injure 30,000 people, the model suggested.

An earlier study, commissioned in 1988 by the National Land Agency, forecast a larger death toll. A powerful earth-quake centered offshore from Tokyo would kill 80,000 to 130,000 people and destroy 340,000 buildings, the study concluded.

Some analyses have come up with lower figures. A study for the Tokyo Metropolitan Government concluded that a se-

To call, just dial the Access Number for the country you're visiting, and you

read, "Not for drinking." The search for survivors continued. Several were dug out of the de-70-year-old woman who was

Thursday were dead, and hope was receding for the hundreds still under the rubble. City officials repeated warnings of the danger from after-

Most of Kobe was still without power, water or gas, meaning most residents could not cook. Nighttime temperatures

said they had no plan to ban

private vehicles from entering or leaving the stricken area. Hundreds of people with relatives in Kobe arrived at re-

underreporting. By the year 2000, officials expect there will be 25,000 AIDS cases. opened railway stations on the acknowledge that the weight of the Catholic Church has preoutskirts of the city. They carried packs of water and food from Osaka and Tokyo and set vented them from actively prooff on the 10-kilometer (sixmile) trek into the city center. in Tokyo, the Murayama

government appeared stung hy a senior official's admission that the recovery operation was too slow. "We should bave asked the

Self-Defense Forces for help much earlier," the deputy chief cahinet secretary, Nohuo Ishi-hara, said. "The government was late in assessing damage and late in adopting measures." Mr. Murayama's cahinet met

into the evening Thursday to plan emergency measures to speed up the transport of medical supplies and food to the stricken area. (Reuters, AP, AFP)

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International Herald Tribune, Friday, January 20, 1995

Japan's Rebuilding Costs Spark Fear of Global Rate Rise

By Floyd Norris New York Times Service

NEW YORK - Japan's earthquake, largely uninsured and therefore likely to stimulate huge deficit spending by the country's government. may put upward pressure on interest rates around the world, especially if it turns out that the damage is far greater than initially estimated.

Perhaps the greatest challenge to be faced by Japanese authorities will be for the central bank, which must decide whether it wants to tighten monetary policy - and thus help to offset the inflationary aspects of government spending or keep it relatively loose for fear of damaging a banking system that has not fully recovered from

bad loans made in earlier years.

"Japan is the only country in the world with substantial savings," said William Sterling, an international economist at Merrill Lynch & Co. Now it has a very pressing need."

For countries that have been dependent on capital inflows from Japan, a likely result is the need to pay higher interest rates to attract other

investors and, perhaps, put pressure on their eurrencies, be said. Much of the money that might have been invested abroad is likely now to stav in Japan.

The initial financial market reaction to the Japanese earthquake has been muted. The overall stock market has barely budged, though some individual shares moved sharply, with construction companies rising and some industrial con-cerns suffering. Neither the currency market nor the Japanese bond market has yet shown much

[The Tokyo stock market closed down Thursday, with the Nikkei 225 average falling 0.77 percent, or 147.57, to 19,075.74, Bloomberg Business News reported from Tokyo. Analysis attributed the decline to foreign investors' rearranging their portfolios following the quake.

[Japanese government bond prices were little changed, with the yield on 10-year government bonds edging up to 4.68 percent from 4.67 on

"The best calibration on the Japanese earth-

There are those who doubt the thesis that interest rates will be pushed up. Certainly, rates generally have not risen since the quake, and there is not a fixed supply of capital in the world. Banks can create credit, and may do so in this case.

But the demand for money still seems likely to have at least some effect, simply because the quake's damage was so large.

Perhaps the most immediate economic effect of the earthquake will be in damaging Japan's idustrial production, and thus its exports.

There are many manufacturers in the affected area, among them Sumitomo Rubber Industries Ltd., whose share price has fallen 4 percent this

But the effect on production could extend well beyond central Japan. The just-in-time inventory system, in which companies do not keep stockpiles of components on hand, relying instead on suppli-

quake has been the Japanese stock market, which has basically ignored it," said Barton Biggs, ehief international strategist at Morgan Stanley & Co.

That effect will soon fade. Already the stock market is bidding up the value of companies such

as Obayashi Road Corp., a large contractor that has gained 18.5 percent, and Sato Kogyo Co., a tunnel builder that is up 7.1 percent. But the most important fact for the economy may be that the extensive damage is largely

uninsured. Japanese insurers have generally writ-ten few earthquake insurance policies for residential or commercial eustomers. As a result, the effect will be felt by everyone else. Early estimates were that it would cost \$10 billion or \$20 billion to repair the damage, but

the experience of the quake in California last year, in which the first estimates proved ridiculously low, makes it likely the figures will grow Just how much of the bill will fall on consum-

ers and businesses is a big question. The wide-See RATES, Page 13

Derivatives Scar Bankers Trust Results

NEW YORK - Bankers Trust New York Corp., the seventh-largest U.S. banking company, said Thursday that fourthquarter earnings plunged by 64 percent, to \$101 million, as its securities husiness failed to produce a profit during a rough quarter in the world's financial markets. The company's shares closed down \$1.125 at \$57.75. The stock has fallen over

The bank's securities-trading business only managed to break even as revenue dropped to \$49 million from \$449 million as the derivatives husiness, weak bond markets and bear markets in Latin America and Asia took their toll.

Compiled by Our Staff From Dispatches

FAJRFIELD, Connecticut - General

Electric Co.'s fourth-quarter profit fell 48

percent after it tonk a \$917 million charge

creased 18 percent in the quarter, to \$1.69

billion, compared with the like 1993 quar-

ter. Sales rose 4.3 percent, to \$17.73 hillion.

up 9.7 percent from 1993. Revenue from

For the year, GE earned \$4.73 hillion.

20 percent since the end of August.

Bankers Trust also warned that \$423 million in leveraged derivatives contracts might not be repaid and would have to be protected by reserves. In the fourth quarter, the bank wrote off \$72 million worth of contracts with several customers.

"Overall, we're not jumping for joy," said Raphael Soifer, an analyst at Brown Brothers Harriman & Co. "It was a weaker-than-expected quarter but a long way Net interest revenue fell to \$229 million

from \$373 million, while non-interest revenue dropped to \$624 million from \$869 million as poor trading revenue overshadowed a 12 percent gain in fee income. Profit in the bank's troubled derivatives

Dumped Brokerage Firm Haunts GE's Earnings

ongoing operations increased 7.9 percent, to \$60,1 hillion,

husiness totaled \$28 million in the quarter but the bank did not provide a year-earlier comparison. For the year, profit in deriva-tives fell to \$259 million in 1994 from \$336 million in 1993.

The hank suffered a scandal over allegations of fraudulent sales practices that were said to dupe clients into buying derivatives products they did not understand. Last year the hank agreed to pay \$10

million to U.S. regulators to settle charges that it used fraud and deception in derivatives contracts sold to Gibson Greetings Inc. and it agreed to revamp its sales prac-

Bankers Trust did not admit to any wrongdoing in the case.

U.S. Trade Deficit Hits Record Pace

Compiled by Our Staff From Disputches

WASHINGTON - The U.S. trade deficit climbed to \$10.53 billion in November, a pace that could make the trade gap for all of 1994 the worst in American history.

A U.S. Commerce Department report released Thursday showed the deficit in goods and services was up 4.3 percent from October's revised figure of \$10.10 billion, due mainly to a seventh straight monthly record for imports. U.S. exports.

The trade-deficit report pushed the dollar lower against many major currencies. Page 12.

helped by a surge in commercial aircraft sales, climbed to an all-time high as well of \$61.16 billion, up 2.2 percent from October. But imports were up an even larger 2.5 percent, to \$71.69 billion, boosted in a part by a big jump in oil imports.

With just one month to go, America's trade deficit in goods was running at an annual rate of \$152.5 billion, which would be the worst performance in history, topping the old mark of \$152,1 hillion set in 1987.

"The trade numbers have reminded people that we have to find \$10 billion a month to come in here," said Richard Koss, manager of currency sales at the Canadian Imperial Bank of Commerce in New York.

The outlook for the U.S. trade deficit in 1995, moreover, remains ominous, analysts said. Canada's dollar has fallen to nearly a nine-year low against the U.S. dollar, increasing the price of American exports in the largest U.S. export market.
The financial crisis in Mexico will almost certainly cut into U.S. sales in what had grown to be America's second-largest export market, analysts added.

WALL STREET WATCH

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107.95 108.55 -0.55

Delta's Stock Gains Altitude

103.21 103.33 -0.12

114.41 115.58 -1.01

By Adam Bryant

New York Times Service EW YORK - In the absence of steady profits in recent years, large airlines have served up a stream of neck-wrenching strategy shifts, flirtations with bankruptcy and ground-

breaking labor-management deals. Given the turmoil, it is hardly surprising that most carriers have taken a turn at being

considered the industry leader. The current rising star? Delta Air Lines, which spent the holidays celebrating a federal judge's decision two days before Christmas that Delta was not liable for the demise of Pan American World Airways in 1991.

The threat of a \$2.5 billion lawsuit had cast a cloud over the stock of Delta, but once that cloud lifted, investors hid up its shares by almost \$4 to \$49.625. Its stock has continued to rise and closed at \$56 on Thursday on the New York Stock Exchange.

With Delta well on its way toward its goal of carving \$2.4 billion a year out of its operating costs by mid-1997, the carrier's prospects suddenly seem brighter than those of many of its rivals. "In many respects, Delta is the one to watch from a competitive point of view," said Paul Karos, airline analyst at CS. First Boston. News of the cost-cutting plan, announced

in April, surprised many analysts and raised questions about whether an established carrier could reduce costs to the levels of leaner and younger competitors such as Southwest

But by delegating cost-cutting responsibilities to 11 teams, the airline's top executives have so far identified or approved more than

\$2 billion in savings, said Thomas J. Roeck Jr., Delta's chief financial officer.

kerage firm.

While such an effort is hardly unique in other industries, it helps Delta stand out among its peers. American Airlines and USAir, for example, are having trouble winning concessions or productivity gains from their unions. Northwest and United Airlines have low-

ered costs through concessions-for-equity swaps with employees, but workers at both carriers expect wages to snap hack soon. At Delta, only the pilots and flight dispatchers are unionized. That gives the airline flexibility its competitors do not share.

In addition, Delta has been trying to strengthen its balance sheet. In July, it repurchased \$202 million in long-term deht, and in December it said it would prepay some notes,

reducing long-term debt by \$131 million.

Delta is trying not only to earn a decent profit but also to regain the reputation it once enjoyed for financial health. Its stock once regularly traded higher than that of AMR Corp., the parent of American Airlines, be-

corp., the parent of American Airmes, because of Delta's stronger halance sheet and more consistent profitability.

These days, it lags behind AMR in both areas, but it is gaining, AMR's shares closed at \$58.125 on Thursday. Delta's stock has been one of the industry's better performers, so analysts caution that the upside potential may be limited.

Julius Maldntis, an airline analyst at Salomon Brothers Inc., predicted that once Delta's cost-cutting efforts started showing up in favorable year-over-year comparisons this summer, Delta's stock would start selling at a premium to AMR's.

related to its Kidder, Peabody & Co. bro-Profit from GE's other operations in-

The 1994 earnings results reflected a loss of \$1.2 billion on Kidder operations over the year. Only one GE remaining division

— Aircraft Engines — posted a loss, while
5 of the other 11 had double-digit gains.

"I think it would be highly unusual for the Kidder thing to recur in any fashion." said Bob Spremulli, an investment officer at the College Retirement Equities Fund, which holds 21 million GE shares.

report to the Securities and Exchange Commission that it could take a charge of up to \$950 million related to Kidder.

The company warned in its third-quarter

. The cost of cleaning up and unloading the brokerage depressed fourth-quarter net income to \$768 million. Kidder lost more than \$300 million in 1994, which it hlamed on the bond-market slump and an internal bond trading scandal. GE sold most of Kidder to PaineWebber Group Inc. for \$670 million in December. (Bloomberg, AP, Knight-Ridder)

Brazilian Rail Baron Laying a Track to the West

By James Brooke

New York Times Service
SAO PAULO — High in the corner
office of a glass-sheathed office tower here, Olacyr de Moraes passed a ball-point pen across a map of Brazil, tracing a new railroad network westward through agricultural lands, then north across the Amazon.

"My mission is to huild this railroad," Mr. de Moraes said of a 1,735-kilometer (1,072-mile) pitchfork-shaped section that is expected to cost him \$2.5 hillion.

If the mild-mannered entrepreneur wants to become the Cornelius Vanderbilt of late 20th century Brazil, his compatriots learned long ago not to langh at his vision of a private railroad extending across Brazil's western frontier.

The son of a sewing-machine salesman, Mr. de Moraes dropped out of high school in 1947 to help his father start a trucking company with three rat-tletrap 1929 Ford trucks. Now 63, he is one of Brazil's wealthiest men, controlling Grupo Itamarati, a family empire of 42 companies that last year recorded about \$1 billion in sales.

Asked his net worth, Mr. de Moraes replied, "Around \$2 billion to \$2.5 billion - something like that."

With little interest in counting heans from past deals, be predicts that new fortunes will be made by companies building basic facilities and services in Latin America - traditionally a government monopoly in this region. Leading the way, his construction company. Constran SA, is building two hydroelec-trie dams and has graded 150 miles of track bed for the new railroad.

ECU

Brazil - roads, sewage treatment, clean water, hydroelectrie dams and gas ex-ploration," Mr. de Moraes said. "Today, there is a favorable climate in Brazil for foreign participation."

Within three months, he plans to open his privately held railroad company, Ferronorte SA, to Brazilian and foreign investors. Though he is determined to lead this huge-scale transportation project, Mr. de Moraes concedes limitations, even as a billionaire. "I can't invest \$1 billion in a railroad," he said with a tinge

Mr. de Moraes, who said that he once worked for 20 years without a vacation, has a shrewd eye for spotting business opportunities in Brazil, Latin America's business behemoth. Over the last 40 years, he bas proved agile at taking advantage of a interdependence in Brazil between business and government.

Starting with a São Paulo contract for trucking paving stones from a quarry, he expanded his public projects to help build the bus station, subway and inter-national airport. Today, Constran is Brazil's third-biggest company.

His interest in a railroad dates to the

1970s, when the military government of the time offered tax breaks and lowinterest loans for investors willing to risk farming in the Amazon region. Mr. de Moraes started buying land in western Brazil, then a wilderness of tropical sa-vanna and rain forest. Today, he is the world's largest soybean farmer, with farms and ranches that together nearly equal the area of Rhode Island.

In the 1980s, when rising world oil prices persuaded Brazil to turn to sugar-"There are going to be a lot of new cane alcohol for fuel, the executive took opportunities for foreigners to invest in advantage of government subsidies to cane alcohol for fuel, the executive took

plant sugarcane. This year, he will open one of the world's largest sugar mills. "Brazil is very similar to the United States in the 1920s," said Stephen Charles Kanitz, a São Paulo husiness consultant who surveys the nation's 500

largest companies. "Olacyr is one of those old-time ty-coons who explores the virgin fields which, in Brazil's case, was the midwest and soybeans," he said.

In western Brazil, soybean harvesus are greater per acre than in the American Midwest.

Although Brazil is the world's largest

exporter of soy meal, growers appear at a disadvantage. They complain that growers in the United States can get



their soybeans to port for \$10 a ton. Faced with bad roads and high trucking costs, Brazilian growers pay \$70 a ton. Returning to his map, and to his pro-ject that is often called "the Soy Railroad," Mr. de Moraes promised, "I can cut freight costs in half."

He envisions freight trains stretching up to half a mile long hauling soybeans, grain and tropical timber from this new breadbasket in Brazil's heartland to São Paulo's Atlantic harbor, Santos. On their way back, trains would hring fuel. fertilizer and general cargo for hurgeouing new western cities - Rondonopolis. Cuiabá and Pôrto Velho.

Although the railroad's dirt track bed already cuts across 150 miles of tableflat savanna and grain fields, work on the \$570 million first section is behind schedule because the national railroad company has been slow to build a twomile road and rail bridge over the Parana River, Brazil's second largest after the Amazon. The bridge will link Mr. de Moraes's railroad with a state rail line running 500 miles east to Santos.

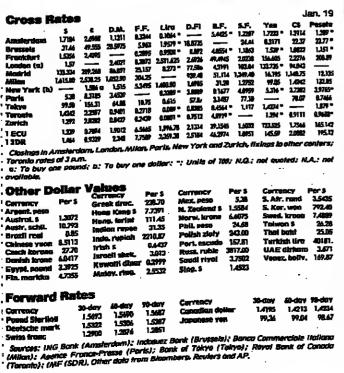
"Our work rhythm depends on the state, but the bridge is 80 percent con-cluded now," Frederico A.H. Karg, operations manager of Ferronorte, said. Once the hridge's completion looks assured, Ferronorte can order locomotives and rolling stock and lay ties and rail.

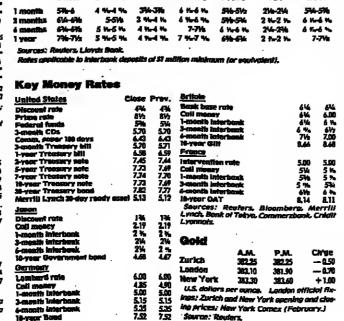
Some people wonder if Mr. de Moraes

is putting his wagons before his locomotives hy building a railroad before Brazil sets up an interstate rate commission. "After the Mexico crisis, investors are going to insist on getting all risks elari-fied," Sebastian Edwards, the World Bank's chief economist for Latin Ameri-

ca, said last week in Rio de Janeiro.

CURRENCY & INTEREST RATES





Saatchi Sues Former Chief's Ally in U.S. head from "misusing" confidential infor-

LONDON - Saatchi & Saatchi Co., determined to pursue its tough legal actions against former executives, said Thursday it had filed a \$50 million suit against an ally of its ousted chairman, Maurice Saatchi.

The advertising firm said it was taking Bill Muirhead, who quit this month as the North American boss of the Saatchi & Saatchi Advertising Worldwide network, to court in New York for breach of contract. Saatchi, which previously sued Mr. Muirhead and other former executives in Britain, said it would seek substantial damages for "breach of the terms of his

duties and misappropriation of confidential and proprietary information of group companies."
Mr. Muirhead, a former boss of the London agency sent to New York last year to revive performance, denied everything,
"I have been advised by my lawyers that this is a totally fanciful claim," he said. "It contains a number of unsubstantiated and

employment contract, breach of fiduciary

untrue allegations." Saatchi fired Mr. Saatchi as chairman a month ago. It tried to keep him on in a less junction in New York to stop Mr. Muir-

prominent position, but he refused and said he was creating a rival firm, provision-ally called the "New Saatchi Agency," with Mr. Muirhead and two others as partners. His spokesman, Sir Tim Bell, denied

reports that Mr. Saatchi would open the

new agency in May but said he was moving into a temporary London office next week. Saatchi seemed unprepared for the chaos that followed the chairman's exit. Nine key executives quit. Two clients ended their current contracts, two others are re-

viewing advertising with the company and Saarchi's stock sank. Saatchi struck back with a wave of legal action last week against Mr. Muirhead; his British counterpart, David Kershaw; the acting group chairman, Jeremy Sinclair, and Mr. Saatchi himself.

The stock market was soothed. News that two institutional investors, the State of Wisconsin Investment Board and PDFM, had this week reised their stakes shored up battered Saatchi shares.

The stock hit a nadir of 93.5 pence last week. On Thursday it was unchanged at Saatchi said it would be seeking an in-

mation.

But Mr. Muirhead said his lawyers were checking whether the company would even be eligible to bring action against him in the United States while it bad a suit pending in Britain.

Saatchi is suing its former chairman and his three allies for "conspiracy to injure the

business of the group." A spokesman for the trio said they were

considering filing countersuits.

Mr. Saatchi has already filed suit against the company, alleging that it broke his contract when it fired him as chairman

He founded the company with his brother, Charles, and built into the higgest advertising group in the world in the

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Trade Deficit Chills Stocks and Bonds

Compiled by Our Staff From Disparches NEW YORK - U.S. stocks posted meir biggest losses in six weeks as a slumping dollar and a pearish reading on inflation heightened expectations the Federal Reserve Board would raise interest rates at the end of

the month. "Sentiment has just done a 180-degree turn," said William Allyn, managing director in eq-

U.S. Stocks

uity trading at Jefferies & Co. A week ago, stocks staged their broadest advance since last July because a poor retail-sales report got people thinking a rate increase was unlikely.

Stocks most sensitive to rising rates, such as banks, brokerages. insurance companies and electric utilities, were among the biggest decliners on Thursday.

The Dow Jones industrial average slid 46.77, to 3.882.21. It had been as 50.47 points lower on the day, triggering the New York Stock Exchange's rule curbing stock-index arbitrage

for the first time in six weeks.
The slump on Thursday shaved off much of the 71.66 points, or 1.9 percent, that the average had gained since last Thursday. On Monday, that rally saw the Dow industrials come within 50 points of its record close before retreating. Stocks retreated as concern

rates would hurt corporate profits. At the same time, a raft of companies released lowerthan-expected quarterly earn-

Twice as many stocks fell as rose on the New York Stock Exchange and trading on the Big Board totaled 297.76 million shares on Thursday, down from 344.59 million on

Wednesday. Shares were jolted by the fall of the dollar following an unexpected widening in the U.S. trade deficit in November and a report by the Federal Reserve Bank of Philadelphia that said more manufacturers in its region reported higher prices for raw materials.

The inflationary indications caused the bond market to post its biggest loss in over a weak. The benchmark 30-year Treasury bond fell 17/32 to 96 9/32 as the yield surged to 7.82 per-

cent from 7.77 percept. Concern about rates was compounded by evidence that rising rates are already taking their toll on corporate profits. Bear Stearns fell 4 to 164 and Bankers Trust eased 11/8 to 57% after issuing disappointing results that caused other sbare

drops in the bank sector. Telefonos de Mexico Iell 1% to 34% on concerns that the U.S. Congress might be reluc-tant to back a plan to bail Mexico out of its currency crisis.

mounted that rising interest U.S. Trade Data Press Dollar to 10-Week Low

Compiled by Our Staff From Dispatches NEW YORK - The dollar fell to a 10-week low against the Deutsche mark and slid against other key currencies amid concern about an unexpected widering in the U.S. trade deficit. Many analysis expected the deficit to narrow in November.

Foreign Exchange

instead, it widened 4.3 percent, to \$10.53 billion, as imports

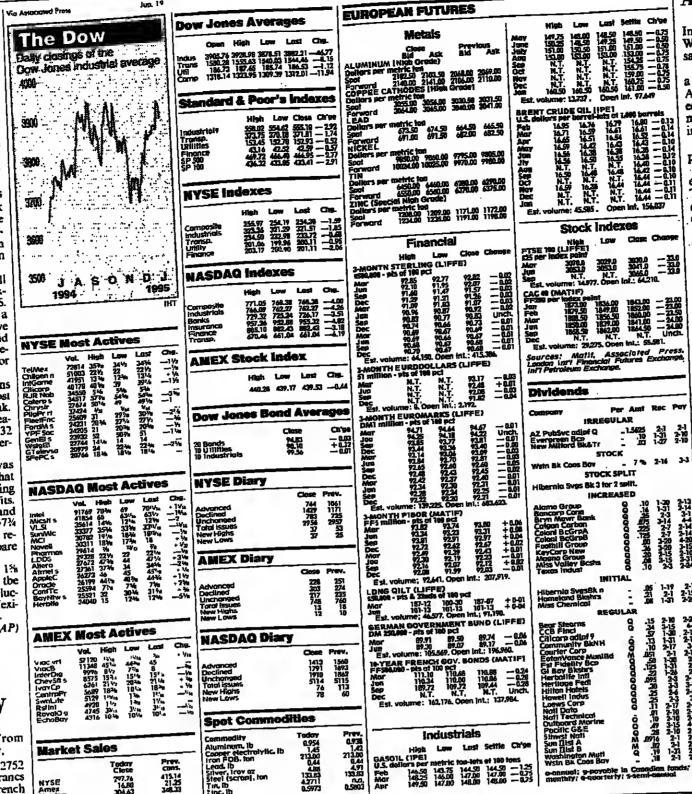
surged to record highs. The dollar fell because "the trade figures were very disap-pointing," said Andy Bevin, a bond economist at Goldman. Sachs & Co. An increase in the number of dollars flowing out of the U.S. typically tends to undermine the currency.

at 1.5150 DM, down from

1.5342 DM on Wednesday. The dollar also fell to 1.2752 Swiss francs from 1,2915 francs and declined to 5,2495 French francs from 5.3025 francs. The pound rose to \$1,5860

The dollar fell to 99,050 yen from 99.615 yen on Wednesday. The dollar did not fall as far against the yen because many traders are still concerned that the earthquake in Japan will disrupt commerce in the country.

Beyond that, rebuilding efforts could spur economie growth in Japan, bolstering demand for U.S. imports, said David De Rosa, director of currency trading at Swiss Bank



Farm Aid Outweighs Expansion for EU Official

PARIS - The European Union's top agriculture official said Thursday that it would be wrong for the EU to pay for its eastward expansion by ending protection for millions of its farmers.

Guy Legras, stepping into the debate just starting about the EU's next generation of farm policies, said the 30-year-old Common Agricultural Policy was still the best basis for running the countryside.

ing of French grain growers in Paris. Studies prepared for the Union's external trade commissioner, Sir Leon Brittan, estimate that absorbing some of Eastern Europe's formerly communist states could double the EU's \$50 billion farm costs and force a radical rethink of farm policies to

prevent disaster with budgets.

of subsidies and controls on prices and gras, director general of agriculture at the EU's executive Commission, told a meetduring negotiations on a world trade

The outgoing farm commissioner, Rene Steichen, issued a parting shot, saying the reports were "academic" and ignored political reality.

Mr. Legras appeared to back the view held by France that a painful upheaval was

Apple Profit Way Above Forecasts CUPERTINO, California (Bloomberg) — Apple Computer Inc.'s first-quarter net income more than quadrupled, beating Wall Street predictions by a large margin and reflecting strong sales of bome computers used for multimedia programs.

The company said net income jumped to \$188 million, or \$1.55 a share, from \$40 million, or 34 cents, in the year-ago quarter. Analysts bad predicted earnings of about \$1.09 per share. Included in the current quarter's results is an after-tax gain of \$\frac{1}{2}\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is an after-tax gain of \$\frac{1}{2}\text{ ed in the current quarter's results is

ing costs last year than initially expected. Sales for the first quarter, which ended Dec. 30 climbed 15

percent, to \$2.83 billion from \$2.47 billion. Apple also said it has sold I million Power Macintosh computers, two months ahead of when it hoped to meet that milestone. The top-of-the-line Power Mac was introduced in March. Skeptics doubted Apple's promise then that it would sell I million ma-

chines during its first year.

Gross profit margin, the difference between revenue and the cost of goods, rose to 28.7 percent from 24.0 percent a year ago.

Northwest Posts First Profit Since '89

MINNEAPOLIS, Minnesota (Bloomberg) — Northwest Airlines Corp. Thursday reported record profits for the fourth quarter and for all of 1994. It was the airline's first profitable year since 1989. The Minneapolis-based carrier reported fourth-quarter net income of \$35.9 million, or 23 cents a share, after preferred stock dividends. That compared with year-earlier net income of \$10.5 million. Revenue rose 2 percent. For the year, Northwest had record net income of \$295.5 million, or \$2.92 a share, compared with a loss of \$115.3 million. Annual revenue was up 6 percent at

Northwest, which narrowly escaped filing for bankruptcy-court a record \$9.14 billion. protection 18 months ago, has staged a dramatic turnarounit by eliminating unprofitable routes and adding flights in its strongest

Profit Up, Shares Down at Caterpillar

PEORIA, Illinois (Bloomberg) — Caterpillar Inc. said Thursday that its fourth-quarter earnings more than doubled due to strong demand in domestic and foreign markets.

Investors, however, were apparently worned about the impact of rising inventories and higher interest rates on future profits, as the company's shares fell in early trading.

The Peoria, Ill., heavy-equipment manufacturer reported net income of \$279 million, or \$1.38 a share, compared with \$119

million, or 73 cents for the fourth quarter of 1993. Sales jumped 24 percent to \$3.92 billion driven by a 28 percent increase in exports.

Implants Charge Dents Bristol's Net

NEW YORK (Combined Dispatches) — Bristol-Myers Squibb Co. said Thursday its fourth-quarter earnings fell 61 percent after it took a heavy charge to settle breast-implant liablity claims. Net income tumbled to \$98.6 million, compared with \$255.8 million a year ago. Revenue rose 9 percent, to \$3.25 billion. Excluding charges for claims against the company for the intplants, earnings from operations in the fourth quarter rose 4 percent to \$586 million.

The charge in the most recent quarter to settle claims for breastimplant product liability rose to \$488 million. A year ago, the (Bloomberg, Knight-Ridder) charge was \$310 million.

High Costs Eat at Genentech Profit

SOUTH SAN FRANCISCO, California (Bloomberg) — Genentech Inc. said Thursday fontth-quarter net income slipped 0.5 percent as rising costs offset increased sales. Net income for the biotechnology company fell to \$18.6 million from \$18.7 million a year ago. Revenue increased 29 percent, to

Lewis Lavigne, the chief fmancial officer, said the increase in \$207.8 million. costs in the fourth quarter was expected and would not continue into the first quarter, As costs are reduced, the company expects strong sales of its drugs to drive 1995 earnings growth.

For the Record Bear Steams Cos. said its net income for the second quarter of its 1995 filinancial year was \$32.9 million, or 22 cents a share, down 76 percent from the like quarter a year ago, because of a drop in

underwriting-and-trading revenues. The four studies released this week sug-Corp. That could support the "However our agricultural policy develgested that the current policies - a maze dollar against the yen, he said. The dollar fell as low as ops, I think we should keep the basic 1.5112 DM, its weakest level since Nov. 9. The dollar closed (Bloomberg, Reuters) Open High Law Close Chg Op.lnl U.S. FUTURES **WORLD STOCK MARKETS** 14.12 11.25 Share Shimezu Shimetsu Chem Sany Sumitomo Bk Sumitomo Bk Sumitomo Chem Sumi Morine Sumitomo Metal Tolsed Chem Tols ### (CBOT) & MODEL INTERPRETATION OF THE PARTY OF THE PAR 1354 1362 1406 1415 1440 1353 1379 1406 1426 1453 1475 1511 1533 1553 1323 1354 1376 1415 1419 97.00 0.30 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 11.70 75.00 77.10 7 16,397 3,039 936 1,900 720 2.34% — 0.00% 118.275 2.40% — 0.00% 62.433 2.45 — 0.00% 52.211 2.47 — 0.00% 52.211 2.47 — 0.00% 52.211 2.47 — 0.00% 52.211 2.47 — 0.00% 52.211 2.47 — 0.00% 52.211 2.52% — 0.00% 52.210 2.52% — 0.00% TOPORTICO Abilibl Price 1977 Alic Consodo 874 Alicor Aluminaria 1774 Alcon Aluminaria 1774 Alcon Aluminaria 1774 Amer Barrick 2774 Be Be Barrick 2774 Be Be Barrick 2774 Be Be Barrick 2774 Conscudes Poper Cominco 2774 Be Barrick 2774 Be Barric + 100 1,873 + 3.10 942 + 3.10 31,214 + 3.10 31,214 + 3.10 945 + 2.75 5.512 + 2.75 + 2.75 + 2.75 + 2.76 + 2.70 + 2.40 2.533 + 2.45 191 17.00 77.500 Jun 17.00 Accor | Air Liquide | Air Liqu Hong Kong B4 East Asia (28.30 28.95 Cafflory Pacillic (27.79 10.15) Cheung Kong (26.70 27.95) Chino Light Perr (1.10 22.00 Dairy Form Ini'l (4.50 7.06) Hong Lung Dev (1.20 10.45) Hong Sen Lung (1.20 10.45) Hong Sen Lung (1.20 10.45) Hong Sen Lung (1.20 10.45) Hong Control (1.20 10.45) Hong Contro COTTON 17.15 17.15 17.15 18.15 18.15 17.55 17.55 17.55 18.15 Armanii Arbed Barca Barca Barca Beteert Cass Cass College Coll 487.5 490.0 495.9 502.2 508.4 518.7 527.1 527.1 536.3 543.5 551.0 951.7 - QUI 3.765 - QAM 37.077 - 0.11 20.442 - 0.15 1.492 - 0.15 4.492 - 0.20 5.454 - 0.20 5.454 - 0.20 4.554 Est, soles word's one Ligaert Stil 19 460 20.46 119 461 119 46 Madrid BBV 2778 2558 Bco Gentrol Hisa. 2445 2496 Bco de Santondar 70 4790 Banesta 210 410 907 CEPSA 2775 2235 Draeodos 1850 1850 Endesa 500 1850 Ercros 140 144 Iberdrola 2775 3480 Tobac olero 1740 3700 Teletanico 1550 1864 Stock Exchange index: 283.13 Previous : 281.48 CATTLE (CAMER) 40.000 ha. conta truy 74.65 for 75 ho 9 74.47 74.50 75.10 47.74 75 97 74.75 71.00 47.70 44.00 Jan 75 74.75 74.00 47.70 41.00 Jan 75 74.00 47.70 41.00 Jan 75 74.00 47.70 47.70 Jan 77.70 47.70 Jan 77.70 Jan 77.70 47 74.57 74.25 74.57 74.25 75.00 74.55 68.00 67.69 45.15 64.70 64.10 65.70 67.02 64.90 68.80 67.80 74 15.696 -0.15 25.492 +0.05 35.174 +0.05 11.800 5.330 +0.98 2.340 702 386 74.65 74.95 65.07 65.07 66.05 64.08 67.00 Tokyo Akol Electr Asohi Chemical Asohi Glassi Benik at Tokyo Beni 74.00 74.00 72.75 72.00 72.50 72.50 71.50 71.50 75.45 72.85 72.85 72.92 71.99 72.70 71.30 -0.15 +0.20 +0.05 +0.15 +0.02 16750 16770 11140 11000 12100 2110 12100 2110 13000 211 149 80 150.70 2021 724 2021 724 2021 724 2021 724 2021 725 2021 726 2021 727 2021 72 + 0.13 + 0.29 + 0.15 + 0.15 - 0.05 - 0.17 - 0.10 40.40 40.45 40.75 207 608 1145 544 333 1490 1410 770 789 425 1209 1133 1470 880 1944 980 1949 1947 664 1637 664 1212 207 670 1143 794 334 1440 1450 750 750 1208 1208 1465 6390 649 1950 1950 1950 1950 1950 1950 +1.90 +2.00 +2.00 +1.90 +1.55 7,500 En - Cenths por to 174,500 173,000 171,500 174,500 174,000 173,000 174,500 174,750 173,500 177,000 177,000 174,25 174,75 174,75 173,000 175,76 175,75 177,15 -1.00 15.161 -2.10 1.50 -1.55 1.955 -1.55 2.511 -1.60 3.077 -1.25 244 -1.36 47

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Divestiture Aids • Earnings Gain At Saint Gobain

PARIS — Compagnie de Saint-Gohain SA, the French industrial glassmaker, said ner profit nearly tripled last year on improved sales, the effects of

BTR Appoints Mining Executive As Its New CEO

LONDON - BTR PLC on Thursday named lan C. Strachan as its new chief executive. Mr. Strachan currently is deputy chief executive of the mining

company RTZ Corp.
Although Mr. Strachan's appointment becomes effective Jan. 1, 1996, he will join BTR's board as managing director in July, BTR said.

Mr. Strachan, 51, succeeds Alan Jackson, 59, who will retire Jan. 1, 1996. Mr. Jackson will retain executive responsibility for fiscal 1995 and stay on BTR's board, as a nonexecu-

Mr. Strachan also becomes the first outsider in 30 years to be appointed chief executive of BTR. Norman Ireland BTR chairman, said Mr. Strachan was selected because he has "substantial international expe-

BTR, a holding company with transportation, construction, industrial and consumer interests, said in November it expected "satisfactory" opera-

restructuring and the sale of the Cellulose du Pin SA unit. Net profit rose to 3.62 billion French francs (\$685.7 million) from 1.31 billion francs the previous year, a rise in line with the expectations of most analysts. The company's share price rose 2 francs to 617 francs.

Excluding one-time items, net profit totaled 2.7 billion francs, almost four times the 680 million francs posted in 1993.

Sales rose 4 percent, to 74.43 billion francs. The company said the strongest improvements in results were achieved in European countries outside France, and in America.

The company noted that it had taken a one-time gain of 960 million francs on the sale of Cellulose du Pin to Jefferson Smurfit Group PLC.

The company's debt nar-rowed significantly, to 8.12 billion francs at the end of 1994 from 6_37 hillion a year earlier, as a result of the sale, improved cash flow and a capital increase in March. (Bloomberg, AFX)

■ Sandoz Sales Rise 5%

Sandoz AG, the Swiss chemicals company, said Thursday that its sales rose 5 percent, to 15.87 hillion Swiss francs (\$12.33 billion) last year, hut that net profit would probably be unchanged from 1993, Reuters reported from Basel. Sales rose 11 percent in local

currencies. Sandoz recorded a profit of 1.71 hillion francs in 1993 and said it would report its profit

for 1994 on March 27.

Axa Has Sights on Asia Playing the China Card via Australia

PARIS - Axa SA said Thursday the French insurer had made an offer for an unspecified stake in National Mutual Life Association of Australasia and that discussions with the Australian company were in progress.

"Axa's offer is being studied by National Mutual, but there has been oo agreemen." Axa said in response to a newspaper interview by Axa executive. Axa relused to disclose the offer for Australia's No. 2 insurer.

Axa, having taken two years to absorb Equitable Cos. of the United States, is now turning its sights to Asia.

Jacques Mistral, Axa's head of development in Asia, told the French financial daily. Les Echos, that Axa wanted a controlliog stake in Australia's National Mutual Life Association. "It will allow us to cross the threshold very quickly in terms of size and business in the area," he said.

National Mutual has been seeking a cash injection and wants to lose its mutual status. said Stephen Dry, marketing director of National's funds management unit in England.

Penny Hewett, a National Mutual spokeswoman, said, "We've said before we've been talking to a number of people, and we have received a range of options. But we won't confirm or deny who is involved. Discussions like that have to be confidential.

Analysts said Axa's interest in National Mutual was tied to the Australian company's presence in China.

Axa also announced Thursday that its new-Japanese subsidiary would start nationwide sales of life insurance products on April 1. "Japan is the biggest life insurance market in

the world, and tomorrow we can expect China and India to become buge markets. It's important to enter all these Asian markets and follow their economie expansion." Mr. Bebear said. Axa shares fell to 224.90 francs Thursday from 232,00 on Wednesday in Paris.
(Bloomberg, AFX, Knight-Ridder)

■ Suez Takes Loss on Baltica Sale

The French finance company Suez SA has sold 25 percent of the equity it held in the Baltica Holding AS, a Danish insurance company, to Gefion AS, for a loss of more than 2.5 billion kroner (\$413 million), according to figures issued Thursday, the Agence France-Presse reported from Copenhagen.

Gefion emerged from Baltica after that company nearly collapsed in 1993.

Suez, and its subsidiary Victoire SA, began

their investment in Baltica in 1989, acquiring 23.3 percent of the equity in Baltica Holding at a price of 846 kroner amounting to a total of 2.7 hillion kroner. Suez then acquired an additional 3.3 percent.

Property Woes Hit Générale des Eaux

PARIS — Compagnie Générale des Eaux. the French industrial services concern, said Thursday that the woes of its real-estate subsidiary, Compagnie I mmobilière Phenix, were worse than expected.

But Jean-Marie Messier, the chief executive of Générale des Eaux, unveiled a reorganization plan that included a recapitalization and a cutting of costs by more than half.

The depth of Phenix's troubles took analysts by surprise. Losses of more than I hillion francs are expected for the second half of last year alone, the parent company said. Génèr-

ale des Eaux, which owns about 52 percent of Phenix, had said Wednesday that it expected the unit's 1994 figures to be "significantly worse" than the 158.4 million (\$30.5 million) franc loss reported for 1993.

"We all knew that Phenix was in trouble, but we badn't realized that things were as bad as that," said Andrew Stone, an analyst with the hrokerage Daiwa Europe Ltd.

Générale des Eaux shares, which were down as much as 22.9 francs early in the day Thursday, recovered to close 11.2 francs lower, at 475.5. About 380,000 shares changed hands, nearly 20 times the company's daily average.

Rockwell **And Daimler** Set Satellite Venture

MUNICH - Daimler-Benz Acrospace AG and Collins Commercial Avionics Ioc., a subsidiary of Rockwell loterna-tional Corp., said Thursday they would create a venture to develop satellite-hased aircraft-

guidance systems.
The 50-50 project will iniually be funded with 500,000 Deutsche marks (\$329,000) and will employ 10 to 25 workers at the Daimler Aerospace facility in Ulm, Germany.

The venture will sell commercial spin-off versions of the global positioning satellite system a military-tracking technology used to propoint troop loca-

The technology will be adapted to pinpoint locations of commercial airliners, ships, buses and trains so that their movements can be well-guided in bad weather, the companies said. The products are expected to be ready for the market by

"Entering the market for civil-aircraft navigation is an important element for the strategy of the sensor-systems division." said Juergen Dangel, president of Daimler's sensor systems division. "We have recognized that substantial growth is possihle only in civil markets."

Mr. Dangel said the joint venture expects to receive orders from airports, helicopter makers and airline manufacturers such as Airbus Industrie and Bocing Co.

Daimler and Rockwell have estimated the market for satellite-based guidance systems at about \$7 billion by 2005.



Very briefly:

· Credito Italiano SpA said the Bank of Italy approved its request to raise its bid for Credito Romagnolo SpA. Credito Italiano's board cleared the way on Jan. 11 for the bid to compete with an offer from Cassa di Risparmio delle Province Lombarde.

• Luxembourg courts are to decide Jan. 31 whether to clear a \$1.8 hillion compensation plan for creditors of the failed Bank of Credit & Commerce International

. The European Union's trade commissioner, Sir Leon Brittan, called for talks to set global rules on cross-border investment.

• IG Metall, Germany's largest union, said it planned to stage warning strikes in the state of Badeo-Württemberg after a first round of pay talks ended without agreement,

• Costain Group PLC said it would sell \$100 million of U.S. mining assets.

 AGA AB, the Swedish gas producer, said it would sell its 7,2 percent stake in Avesta Sheffield AB to Swedish and foreign investors for 900 million kronor (\$121.1 million).

· Britain's car output in 1994 was the highest in two decades, with 1.47 million vehicles manufactured, • Denmark's employers rejected an average 5,8 percent pay in-

crease that had heen agreed for transport workers. • British Land Co. launched a bid for Stanhope Properties PLC at a cost of £125.5 million (\$197 million). It already owns a stake of Reuters, Bloomberg, AFX, Knight-Ridder

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

RATES: Quake Impact Threatens

spread assumption is that the government will pay for much of the damage, hut not nearly all of it. Thus, companies that might have spent money overseas may have to use it to re-

huild domestie operations.

"I think it will have a negative psychological impact on consumers," said Steven Na-gourney, the chief international strategist for Lehman Brothers. That could help to restrain Japanese economic growth and, perhaps, Japanese stock prices.

Even so, the huge cost of rebuilding, and probably of retrofitting buildings in other areas of Japan to conform to earthquake standards that are likely to be strengthened, will provide a big push to the economy for a sustained period.

Mr. Sterling said the earth-quake, in its economic effect, might be comparable to the fall of the Berlin Wall.

Early financial market reaction to the wall's fall, he said.

clear that Germany faced a huge bill to rehaild the devastated eastern economy, interest rates began to rise and the Deutsche mark strengthened, He said that was likely to

happen in Japan as well but cautioned that the central bank's response was important. With the quake likely to put

pressure on bank loan portfolios - some uninsured companies no doubt have seen their plants destroyed, and with them their way of earning money to pay back loans - the central bank is likely to feel of short-term interest rates.

There is market concern about banks. In the last two days, shares of Sanwa Bank have fallen 3.6 percent, while Mitsubishi Bank stock has dropped 3 percent.

There is historical precedent Mr. Sterling said. After a 1923 quake that killed 140,000 people, "there was a banking crisis, as shaky credits went under."

"MULTIMANAGER N.V."

Note to the prices for the Multimanager Funds as at 31 December 1994 are as follows:

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"An attachement has been made against certain assets of the company in Luxemboura for a value of USD 1,500,000. The possible effect of this attachment has not been taken into account on computing the above mentioned Net Asset Volues.

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China Vows Crackdown On 'Hot' Currency Flows

BEIJING - China will tighten controls on foreign-exchange inflows in a bid 10 prevent short-term, speculative money from coming into the country, the Xinhua news agency reported on

The official report quoted Zhu Xiaohua, director of the State Administration of Foreign Exchange Control. saving that "bot" money has been flowing into China to take advantage of high interest rates. A "considerable" unusual of high interest rates. A "considerable" amount of speculative money bas come into China, the reports quoted financial analysts as saying.

Mr. Zhu said banks must strengthen checks to prevent fraudulent purchase of foreign exchange by domestic firms, which has been made possible by revent liberalization to the foreign-exchange system. He added that the government planned to revise existing laws and limit China's foreign debt this year to help stop such practices.

China last year established an interbank mar-China last year established an interbank mar-ket, which allows domestic companies to buy and sell foreign exchange from designated banks. But

companies must sell all of their export earnings back to state banks.

Separately, Moody's Investors Service Inc. issued a report Thursday saying that China's prov-inces and cities, which have been blocked by the government in Beijing from incurring debt directly, are using businesses they control to tap inio publie debi markets.

■ China Brings Back Food Rationing

China bas reintroduced food-ration coupons to cushion its workers from rising prices a year after abolishing the system in favor of free mar-kets, the official China Daily reported on Thurs-day, according to a Bloomberg Business News

dispatch from Beijing.

A separate report said China would also offer one-time payouts to aid its poor over during the Chinese New Year festivities later this month. Coupons issued in some cities in the provinces of Xinjiang, Liaoning, Shandong, Sichuan, Hu-

Some Progress in U.S.-China Talks

BEIJING - In a last-ditch effort to defuse a trade war, negotiations the disputes be-U.S. and Chinese negotiators tween China and the U.S. on Thursday inched toward an intellectual property can be setagreement on ways to curtail tled," said Shen Guofang, a forthe piracy of intellectual prop-erty such as recordings, movie long as the U.S. side expresses

still wanted China to make a agreement," be added. "down payment" on promises to toughen copyright and pat- day of talks Thursday and ent enforcement by closing at planned further meetings. least one of the factories that So far, China has launched have been accused of making highly publicized raids on street

ing music and computer pro- not moved against any of the

"We hope that through these videos and computer software. sincerity and sober-minded-But U.S. officials said they ness, I believe there will be an

Negotiators ended a second

country's 30-odd CD factories, many of which are ventures involving state-owned enterprises or ministries.

The United States has set a Feb. 4 deadline for China to make significant progress in controlling piracy of music, films and software, or face increased tariffs on Chinesemade goods imported by the United States.

China threatened to retaliate against U.S. companies seeking access to the Chinese market. singling out major U.S. autobootleg compact disks contain- vendors and retailers, but it has mobile manufacturers.

Ayala Looks Past Lost Manila Deal To Southeast Asia

MANILA — Fresh from losing out on what was billed as the Philippines' largest land-development deal ever. Ayala Corp. is looking to expand into Southeast Asia to take advantage of the region's growth and increasingly liberal trade environment, the company's new president said on Thursday.

"We would like to be part of what is happening in the whole ASEAN, to ride on what is happening in the region," Jaime Augusto Zobel de Ayala said.

Ayala, one of the oldest corporations in the Philippines, has interests in banking, real estate, insurance, food, information systems and telecommunications. ASEAN, the Association of South East Asian Nations, comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Ayala's flagship unit, Ayala Land, recently led a consortium of local and foreign companies that bid for Fort Bonifacio, a military camp on the edge of Manila's Makati financial district that is seen as a prime spot for development. But early this month it lost out to the Hong Kong-based Metro Pacific Corp. which, backed by Indonesia's Salim Group, bid \$1.6 billion, or more than three times the government's floor price. The bid was about 9 billion pesos (\$367 million) higher than Ayala's bid. Mr. Zobel said be did not regret losing out on the property, and added that Ayala would still gain since the deal would preserve, if not boost, the value of its own property in Makati. Asked whether Ayala would be willing to take part in the

development of the property if offered, Mr. Zobel said: "We'll have to assess the values, but we have no plan right now." Mr. Zobel, who took over the presidency of Ayala from his father earlier this month, said the company was spending a lot of time identifying potential partners in the ASEAN region. We are trying to build up key relationships and, from there,

see what opportunities we can develop." he said.

Mr. Zobel, 36, said a free-trade area that will soon emerge within ASEAN offers opportunities for the company. He also said that Ayala would spin off the investment-banking office of its Bank of Philippine Islands unit into a separate corporation, called BPI Capital, next month.

"We feel investment banking is a very powerful field that really has to be given an independent direction," be said. "We

see the need to give investment banking a focus."

Mr. Zobel said the Ayala real estate consortium, which includes Singaporean partners, are on the lookout for other projects so they can rechannel the group's resources.

Nissan Ends Bad Year on Bright Note; Toyota Slips

TOKYO - Japan's top carmaker, Toyota Motor Corp., suffered declines in sales and exports in December, while rival Nissan Motor Co, posted an increase for the second consecutive month, the companies said Thursday.

But for all of 1994, Toyota outperformed Nissan, though both automakers suffered their fourth consecutive year of declining sales and exports.

Toyota said its domestic vehicle sales last month slipped
0.2 percent from December was down, by 1.5 percent, at
1994, to 135,413 units, with car
sales falling 6.1 percent and
those of trucks and buses rising
that of trucks and buses rising

Exports fell 2.3 percent, to Nissan said its December do-110,549 units, with car exports mestic sales edged up 0.3 perments of trucks and buses jumped 17.4 percent. For all 1994, Toyota's do-

mestic sales fell 1.2 percent, to 2,040,570 units, as sales of buses and trucks rose 3.6 percent but car sales fell 3.2 percent.

Nevertheless, domestic production rose for a fifth straight month, by 7.7 percent. Toyota built 6.3 percent more cars, or 214,237, and 13.7 percent more buses and trucks, or 51,332.

MOVING .

cent decline in car sales was offset by a 13.6 percent increase plunged 24.5 percent.
in sales of trucks and buses.

Both companies reported big in sales of trucks and buses.

Exports grew 10.9 percent, to 49,294 units, with a 13.7 percent increase for cars outdistancing a 1.3 percent decline among trucks and buses. Nissan boosted domestic out-

put for the first time in 30 months, by 7.4 percent, to 126,173 units. Car production rose rose 9.9 percent, outweighing the units. 4.7 percent decline in trucks and

Brisk sales of the Cefiro model

During all of 1994, output fell 14 percent, to 1,558,112, Car down 9.5 percent while ship- cent, to 73,155 units. A 4.1 per- production fell 12 percent, and output of trucks and buses

> increases in foreign production. Toyota's ontput rose 23.9 percent, to 77,149 units, for December, because of brisk U.S. and British production. For the entire year, production was up 18.3 percent, to 1,051,668 units.

Nissan's December output rose 14.4 percent, to 76,390 (AFP, Bloomberg)

Fewer Big Bankruptcies The number of Japanese cor-

in Japan and the Maxima in the porate bankruptcies fell 0.6 per-United States prompted the cent in 1994, while industrial output rose 3 percent in No-

reported from Tokyo.

Teikoku Databank said Thursday that 13,963 companies, each with debts of at least 10 million yen (\$100,000), went bankrupt in 1994, while their liabilities totaled 5.5 trillion yen, a decline of 18.1 percent, compared with 1993.

Industrial production in November grew 3 percent - revised from 2.7 percent - compared with October, the Ministry of International Trade and Industry said Thursday.

Acer Profit Rises On Increased

Compiled by Our Staff From Dispatches TAIPEI - Acer Co., Taiwan's largest computer maker, said Thursday that its profit soared in 1994 as demand for computers rose and as the company increased its operating ef-

Acer's after-tax profit rose 180 percent, to \$3 billion Tai-wan dollars (\$114 million), or after-tax profit of 1.073 billion

ing to Acer's success were increased demand from both brand-name and original-equipment-manufacture products, and improved control over manufacturing and logistics," said Sum Shih, Acer's chairman.

al computers, 2.5 million moni-tors and 2.6 million keyboards in 1994, fueled by rapid sales growth in North America and other key markets.

Agence France-Presse reported yuan. from Seoul.

Nintendo of America, which is responsible for copyright questions for Nintendo Group, filed suit on Wednesday in the United States accusing Samsung of large-scale piracy of the program for its hit video game "Donkey Kong Country."

We will initiate our own legal proceedings against Nintendo Co.," said a Samsung spokesman

cartridges containing Samsungproduced components had been found on markets in Asia, Latin America, Europe, the Middle East and the United States,

Nintendo of America.

Demand

about 6 dollars per share, said Henry Wang, a company spokesman. Acer reported 1993 dollars, or 2.31 dollars a share, "The main factors contribut-

Mr. Shih added that Acer had shipped 2.2 million person-

Acer Inc. is the flagship company of the Taipei-based Acer

South Korea's Samsung Elec-Corp. that it bad infringed on

Nintendo said counterfeit

"For Samsung to be involved in this kind of black-market operation is ontrageous," said Howard Lincoln, chairman of

Investor's Asia Hong Kong Hang Seng 22000 1990----2400 2300 10000 - Jack 21000 19000 -8000 7095 A S ON D J 1994 1995 A S ON D J 1994 1995 Thursday Close Prev. Close Exchange 7,630.20 Hang Seng -2.73 Hong Kong 7.422.00 Singapore Straits Times 2,081.33 2,103.56 -1.06 Sydney All Ordinanes 1.894.40 1.888.60 -0 77 Nikkai 225 Tokyo 19,075,74 19,223,31 Kuala Lumpur Composite 918.74 901.72 1.283.35 Bangkok 1 285.57 -0.17Composite Stock 974.90 966.66 +0.85 Secul Teipel Weighted Price 6,623.52 6.598.02 -0.38 Manda 2.554.38 2.539.59 +0.58 Jakarta 451.79 449.84 Stock Index +0.43 New Zealand NZSE-40 1,954.63 +1.29

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Bayer AG and Wuxi Dyestuff Factory have founded an \$18 million dye venture in China, to begin operation in 1997.

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National Index

. Polaroid Corp. said it was increasing its sales force in China by six-fold this year to strengthen its market penetration. • News Corp.'s STAR TV unit said viewership in Taiwan "practically doubled" in 1994, reaching 9.6 million in December, based

on data from Survey Research Taiwan. (Bloomberg, AFP) • Northern Telecom Ltd. of Canada has signed a \$48 million

■ Samsung Will Fight Back .contract with Singapore Telecom Mobile Link Pte., which is South Korea's Samsung Electric wholly owned by Singapore Telecommunications Ltd., to supply and install the city-state's latest mobile telephone network. tronics Co. Thursday refuted and install the city-state's latest mobile telephone network.

claims by Japan's Nimtendo • The Agricultural Bank of China bought Wuhan Freight Container

Co. for 42 million yuan (\$5 million). Wuhan, one of the largest intellectual property rights. Chinese companies to go bankrupt, has debts totaling 146 million

Sime Darby Seals Venture

KUALA LUMPUR - Sime

Darby Bhd., Malaysia's largest multinational corporation, unveiled plans Thursday to extend

geri Trengganu, the development corporation of the oil-rich eastern state Trengganu, to iointly develop the state's metal-working industry.

SD Holdings will take 51 per-

cent of the equity in the joint venture, with the state development agency acquiring 30 per-cent. The Trengganu government's investment arm. Permodalan Trengganu Bhd., will be invited to take 19 percent.

an existing unit of the Trengganu development agency involved in manufacturing steel structures for the oil-and-gas industry.

Sime Darby is a diversified conglomerate with core businesses in beavy-equipment manufacturing, property development, and energy.

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TODAY'S

REAL ESTATE MARKETPLACE

Appears on Page 4

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Thursday's Closing
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tlate trades elsewhere. Via The Associated Press

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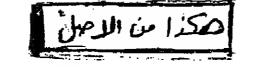
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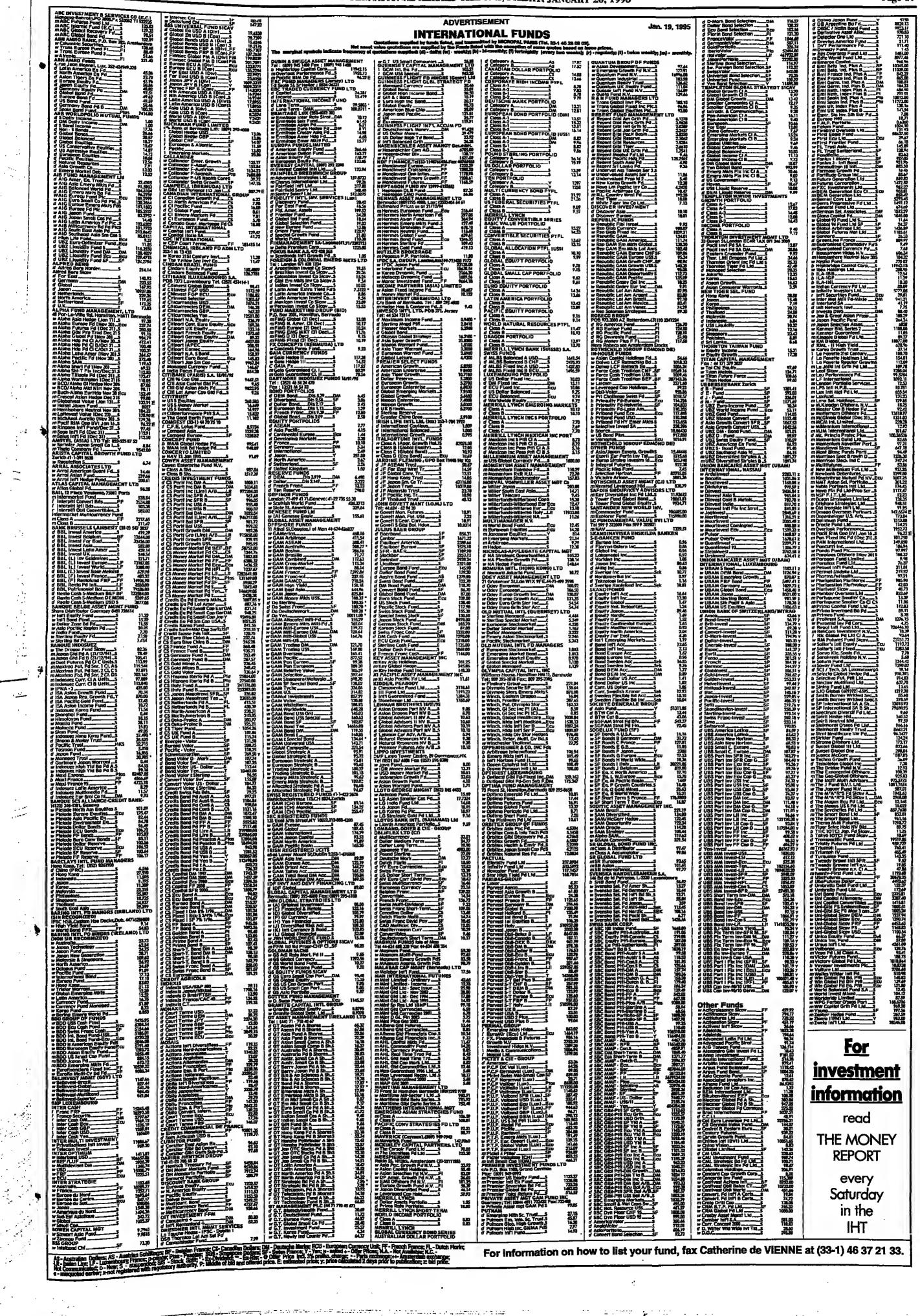
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SPORTS

The Lineup as a Much-Abbreviated Hockey Season Finally Opens

By Joe Lapointe New York Times Service

NEW YORK - Ready or not, the athletes of the National Hockey League will buckle their chin straps and lace oo their skates Friday night to finally begin the

With only a 48-game scramble for playoff positions, all games will be within either the Eastern or Western Conferences. The daily divisional standings will be virtually meaningless, the conference standings all-important, because that's how teams are seeded for the Stanley Cup play-

Eight teams from each conference will make the tournament. There will be six nonqualifiers in the 14-team East and four nonqualifiers in the 12-team West. The Eastern teams have a travel edge because they will never leave their time zone; fewer Western teams risk playoff elimination. League-wide, this season's major ques-

How will conditioning affect play?
What will be the effect of some players having played regularly in Europe or ju-nior leagues while others trained only lightly since October?

• Will the disappearance of the sport for almost a half-season because of the 15week lockout hurt the momentum in newly colonized markets like Miami, Tampa, Dallas, Anaheim and San Jose?

Each team brings its own questionnaire. Let's start from the top.

EASTERN CONFERENCE

Atlantic Division
CAN THE RANGERS REPEAT? The short, conference-hased season is in their favor because they are an older team and they won't have to travel as far. It remains to be seen if Mark Messier will sign and return as the team leader. Can Sergei

NHL PREVIEW

Zubov put together a second consecutive scoring explosion? Is Alexei Kovalev ready for the superstar role his talent suggests?

ARE THE DEVILS READY? If any team takes a step back this season, it could be New Jersey. The owner, John McMullen, and the president, Lou Lamoriello, were two hawks during the labor dispute. Still, with stars like Scott Stevens and John MacLean and goaltending depth from Martin Brodeur and Chris Terreri, this should remain one of the league's best

WILL BRETT LINDROS HELP? Maybe. Although not a natural goal-scor-er, he got 24 in 26 games with his junior team this season. He gives the Islanders size and toughness. On defense, Vladimir Malakhov must show more consistency. Scott Lachance has to prove he wasn't another of this franchise's litany of overrated first-round picks.

WILL THE FLYERS MAKE THE

consecutive season. Eric Lindros, begin-oing his third season, can emerge as the dominant player of the oext era as long as his knees hold up. The constant coaching shuffle has hurt, but this year's coachmanager team of Terry Murray and Bobby Clarke has a track record of modest success elsewhere. Ron Hextall returns in goal. Talent at forward doesn't quite compensate for lack of depth at defense.

CAN CAPITALS GET UN-TRACKED? Maybe. By trading Kevin Hatcher to Dallas for Mark Tinordi, they gained toughness, skill and leadership from a defenseman with a history of serious injuries. Gung-ho Jim Schoenfeld might be the ideal short-seasoo coach.

LIGHTNING IN A DOME. Defenseman Roman Hamrlik and Center Chris Gratton bring youth and skill and hope for the Tampa Bay future. But frayed veterans Gerard Gallant, Denis Savard and Petr Klima will soon join the Esposito Brothers Management Team for old-timers games.

WILL PANTHERS IMPROVE? As an expansion team, most of their players were castoffs with points to prove. That sort of motivation wears off in the second season. Even a top-ootch goalie like John Vanbiesbrouck can't carry a team.

Northeast Division

FAREWELL TO BOSTON GARDEN. In their last season on Causeway Street, PLAYOFFS? No. they'll miss for a sixth the Bruins will miss Al lafrate more, if his

heart, mind and injured knee aren't in sync with the wishes of his tough-guy coach. Brian Sutter, and with the general manager. Harry Sinden. Iafrate's barely on speaking terms with the from office and won't start the season. The bosses will have to find goaltending and keep their fingers

crossed that Cam Neely has another

healthy and productive season.
ANOTHER MONTREAL BANNER? Other than Patrick Roy, this team lacks stars, and you usually need more than one to win it all. Serge Savard is a shrewd general manager, not afraid to trade. Needing a scoring gunner for a short sea-son, he'll deal.

PRESSURE IN QUEBEC. The Nordiques hope Peter Forsberg benefited from the international experience that delayed his rookie year until age 21. He played in Sweden during the lockout, so he's going to have a running start. He made Mats Sundin expendable, and that brought, in return from Toronto, Wendel Clark, with the toughness the Nordiques lacked.

ANY HOPE FOR OTTAWA? The Sen-

ators' best player, Alexei Yashin, wants out, and hasn't reported. Their best prospect, Radek Bonk, hasn't signed. Their highest-paid player, Alexander Daigle, had a disappointing rookie year. BUFFALO WATCHING LAFON-

TAINE. Pat LaFontaine has not fully recovered from surgery of more than a year ago, and he might miss the opener against the Rangers. Dominik Hasek is the best

young goalie since, maybe, Patrick Roy. Alexander Mogilny is a superstar.
HOW FAR HAVE PENGUINS

FALLEN? Goalie Tom Barrasso has a sore wrist, and Mario Lemieux is out for the season. Rick Tocchet is in Los Angeles. If it weren't for stars like Jaromir Jagr. Ron Francis, Larry Murphy and Joe Mullen, they might not conteod for first place

in their division.
WILL WHALERS BE ANY GOOD? If Pete Karmanos becomes a good new own-er and Jimmy Rutherford becomes a good new general manager and if Geoff Sanderson has a breakthrough season and if Glen Wesley proves worth the three draft choices they traded to get him and if Jimmy Carson revives his career and if Chris Pronger takes seriously the potential of superstardom.

WESTERN CONFERENCE Central Division

ARE THE RED WINGS DOOMED? They'll win the Stanley Cup if they sacrifice their firepower for more team play and if their fans are patient with goalie Mike Vernon. Second-line center Sergei Fedorov having won the most valuable player award. Steve Yzerman is worth more in trade than he is to the Wings.

HOW MUCH HAVE THE BLACK-HAWKS DECLINED? Bernie Nicholls still has something to contribute, but hiring him won't reverse a trend. It will be interesting to see what a full season together will mean for Tony Amonte and Jeremy Roenick. This franchise is refuctant to blend in the top talent from Europe.

CAN KEENAN AND HULL COEX-IST? In a normal, 84-game season, probably not. In a 48-game sprint, they might. This chemistry could make for the NHL's best soap opera. Al MacInnis brings a big shot to the Blues' power play. Esa Tik-kanen and Guy Carbonneau add the ancient grit that Keenan can't get enough of.

TWO HATCHER BROTHERS IN DALLAS. Washington sent the Stars Kevio Hatcher, who will play alongside his younger brother, Derian, who, like Kevin is also big and maybe even meaner. The elder Hatcher's passes will upgrade the

HOW FAR WILL LEAFS GO? Getting: to the finals will be tough, even though they may score more. They gained a solid second center when they got Mats Sundin from Quebec to back up Doug Gilmour. They lost some toughness when they sent Wendel Clark to Quebec.

IS WINNIPEG'S SELANNE HEALTHY? He seems to be, which is good for fans in Winnipeg and everywhere else. He played well in Furland during the lockout John Paddock is weeding out some of Mike Smith's Europeans, but Selanne seems secure. In goal, Tim Cheveldae will try to put his confidence back. together after his unfortunate Detroit exit.

Pacific Division ALL EYES ON ROOKIE GOALJE. With Mike Vernon gone from the Flames, Trevor Kidd has only 33 games of NHL experience. His rebuilt defense is filled with familiar names from other teams: Steve Chiasson, Phil Housley, James Patrick, Zarley Zalapski and Trent Yawney. None makes opposing forwards afraid to cruise the slot.

Stelan Edin

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States Section Section

WHAT'S WITH THE OILERS? Right wing Kent Nilsson, 38, and out of the NHL since 1987, is attempting a comeback and will likely make the roster. Up front, they have Jason Arnott and little else to take the heat off Bill Ranford in goal.

HAVE THE KINGS CHANGED? They've added toughness in veteran Rick Tocchet, rookie Matt Johnson, fighting specialist Troy Crowder and the returning Marty McSorley. They are hoping for scor-ing from recycled veterans like Dan Quinn and Rob Brown. On defense, they hope Darryl Sydor and Alexei Zhitnik rebound from subpar seasons and that Rob Blake continues to grow into a Norris trophy candidate. They hope Wayne Gretzky and Jari Kurri have at least another year of magic in their sticks.

A STAR IS BORN? Like Peter Forsberg io Quebec, Paul Kariya of the Mighty Ducks, didn't rush himself into the NHL and gained seasoning in international competition. He's a Japanese Canadian with what the new suits running the league might call upside marketing potential. As for the team, respectable expansion groups like this tend to step back in their second

HOW GOOD ARE THE SHARKS? They have lots of international flavor, alunfortunate. When they upset Detroit and almost eliminated Toronto in the playoffs last spring, they proved they were more than just a pretty uniform shirt.

UNHAPPY CAMPERS. Pavel Bure finally reported, although the Canucks still haven't resolved his claim for full pay on a guaranteed contract despite the lockout. Another unhappy concamper is Murray Craven, who hasn't reported. Geoff Courtnall has but it suing the team in a contract dispute. Think how grouchy these guys would be had they won the final game of the Stanley Cup finals.

North Carolina Derails Virginia in Last Seconds

The Virginia Cavaliers, impressive away from home this season, saw their road run come to an end in a building where they have never had any suc-

Third-ranked North Carolina held off No. 18 Virginia, 79-76, on Wednesday night for the Tar

COLLEGE HIGHLIGHTS

Heels' 14th straight victory over the Cavaliers in Chapel Hill.

"I think they had begun to get a little cocky, and we definitely didn't want them to come into our house and feel like they were going to sneak a victory from us," North Carolina for-ward Jerry Stackhouse said.

The Tar Heels (13-1, 4-1 Atlantic Coast Conference) led by 14 points midway through the second half, but the Cavaliers (10-4, 4-1) rallied to trail by just 78-76 with 25 seconds to play. But
Pearce Landry's free throw made
high 23 points for the visiting it a three-point game, and Virgin-ia was unable to connect on three the basket that made it 69-69 shots in the final seconds, the last with three minutes to play as a 3-pointer by Harold Deane Kansas State erased a 10-point

with five seconds to play. The victory gave the Tar Heels, who missed four of eight 82: Corliss Williamson scored free throws in the final minute. a 6-0 mark against ranked made three free throws in the teams this seasoo and their final 30 seconds to finish with

ord against Virginia.

Dooald Williams led the Tar
Heels with a seasoo-high 23
points and Rasheed Wallace added 21. Stackhouse, the leading scorer of the Atlantic Coast

DENNIS THE MENACE

poiots. He finished 2-for-13 from the field.

"We have other guys who can step up for us." Stackhouse

Virginia forward Junior Burrough scored 18 of his 22 points in the second half and tied his career high with 14 rebounds. Deane finished with 20 points.

No. 5 Kentucky 82, Mississippi 65: Rodrick Rhodes had 23 points and Tony Delk 18 as the Wildcats (11-2, 5-0 Southeastern Conference) pulled away late for the victory at the Pyramid in Memphis, Tennessee.

to lead the Rebels (5-9, 1-4). No. 7 Kansas 78, Kansas St. 74: Sean Pearsoo scored all 14 of his points in the second half. sinking the decisive 3-pointer

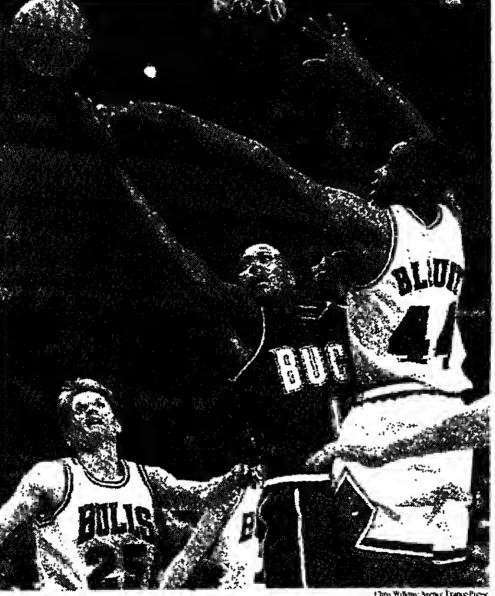
Anthony Boone had 15 points

that gave the Jayhawks (12-2, 2-1 Big Eight) a 74-69 lead with 2:22 to play.

Belvis Noland had a career-

second-half deficit.
No. 9 Arkansas 84, Georgia 22 points and Scotty Thurman coach, Dean Smith, a 62-16 rec-ord against Virginia. 21 points as the Razorbacks (14-3, 3-2 Southeastern Conference) remained unbeaten at Walton Arena.

The Bulldogs (11-4, 2-3) closed within one twice as Cur-



Glenn Robinson, the NBA's top draft pick, had a shot tis Carrington scored 13 of his swatted away by the Bulls' Corie Blount, but still scored 24 points as the Bucks wou, 97-93, to end a 16-game NBA losing streak in Chicago. They had last won there in 1988.

SIDELINES

A Niekro Comeback, at 55?

NEW YORK - The latest baseball replacementplayer rumor: That Phil Niekro has signed to play for the Atlanta Braves.

"I haven't even spoken to Phil Niekro," John Schuerholz, the Braves' general manager, said Wednesday, But, he quickly added, "I intend to."

And Niekro, earlier in the week, indicated that he just might be receptive to an offer. The knucklehaller will be 56 the day before the scheduled opening game of the 1995 season.

For the Record

George Foreman's first defense of his heavyweight titles, against Axel Schulz of Germany, will be moved from New Orleans to Las Vegas because of scheduling conflicts and hopefully fought April 22, the promoter Bob Arum said.

Anthony Yebosh's transfer from Eintract Frankfurt to Leeds was formally completed when the Ghanaian striker, after two weeks, was granted a work permit for England.

Three New Zealand cricketers, Stephen Fleming, Matthew Hart and Dion Nash, have been suspended for three one-day internationals against the West Indies for allegedly smoking marijuana during the recent tour of South Africa.

(AP)

Tim Grgurich, who took over at UNLV in November, may not coach another baskethall game this season; doctors have advised him to spend six weeks away from the job after being hospitalized a week for

Ron Luciano, 57, the former major league umpire who was among the first to bring a sense of panache iob, was found dead in h New York. Police have ruled his death a suicide; an autopsy showed he had died of carbon monoxide

Ouotable

• Gary Sheltoo of the St. Petersburg Times, on Tonya Harding's Christmas skating exhibition in Portland, Oregoo: "After seeing Tonya Harding dressed as Mrs. Claus, it certainly is easier to under-

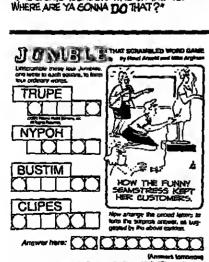
stand why Santa stays out all night." should hear what Newt Gingrich's mother thinks of

· Boh Kravitz in the Rocky Mountain News: "You

Conference with 21.5 a game, 15 points in the second half.



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PEANUTS WE'RE GOING TO BE GONE Y FOR A WHILE SO WE WANT YOU TO GUARD THE HOUSE NO, THIS HOUSE.







مكذا من الاجل

CALVIN AND HOBBES









WIZARD of ID







THE FAR SIDE



suddenly polarized into two engry, controntational factions: those espousing the tues of the double humped camel on the one side, single humbers on the other



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SPORTS



Stefan Edberg gained the round of 32 in Melbourne on the day he turned 29.

Edberg and Agassi Heat Up, Others Just Melt

MELBOURNE - Stefan Edberg celehrated his 29th hirthday Thursday with a straight-sets victory that propelled him to a place where he feels very much at home:

the third round of the Australian Open. The two-time champion downed Roma-nian qualifier Adrian Voinea, 6-3, 7-6 (7-

Andre Agassi, who hasn't had much time to get used to the venue, looked just as comfortable as he roared to a 6-2, 6-3, 6-1 triumph over French qualifier Jerome Golmard in the evening session.

Agassi, making his first appearance at the Open, took just 93 minutes to book his spot in the round of 32, cleverly moving Golmard around the court with fierce groundstrokes

Then, after a 202 kph (125.5 mph) serve that just missed, he flexed his right arm muscles, then laughed and joked with spec-

"What a great reception. I'm having the best time." Agassi said, while also underlining his serious intent when he said: "I'm here to win every Grand Slam I can."

Three other seeds, Todd Martin, Yevgeni Kafelnikov and Thomas Muster, also won second-round matches as the temperature rose above 33 centigrade (92 Fahrenheit) during the day and players sweltered on court,

"I had to work very hard because he's a young and upcoming guy," Edberg said.
"He's another one who could be a very
good player. They're young and hungry. I'm old and hungry

Edberg, the No. 6 seed, hopes to maintain his record of having made at least the quarterfinals at every Australian Open since 1984. He won on the grass courts of Kooyong in 1985 and 1987, but has not

round. It was the first time that the two all-

male U.S. defense entries had squared off,

and the level of sailing reflected the greater

hig-boat experience of both compared to

the women's America3 team (1-3), which

hancy, carved out a perfect start on the left

side, where he hoped to pick up the first

freshets of a hudding sea breeze. The tactie

worked as he poked out to a four-boat-

length lead and stretched it by staying to

the left side of the course and forcing

Cayard to the right as the breeze continued

Mahaney led by 62 seconds at the first

turning mark, but that proved the biggest

margin of the day as Cayard came roaring

back. Stars & Stripes set a large spinnaker

Young America's skipper, Kevin Ma-

taken home a title since the tournament was moved to the National Tennis Center

seven years ago.
"Winning another Grand Slam is the goal for me," Edberg said, "It's still great to be out there."

He was cheered on by a large group of Swedish fans, faces painted, who chanted songs in his praise and sang hirthday greet-ings. He howed to them at the end. Martin, who was beaten by Pete Sampras in last year's final and seeded No. 8 this year, was treated for a bloody nose in

defeating Jean Philippe Fleurian of France, 6-4, 6-2, 6-3. Kafelnikov, the 10th seed from Russia and one of the newest stars of the sport, moved on with a 4-6, 6-3, 6-1, 6-3 victory over Kenneth Carlsen of Denmark - who had a hand of supporters every hit as

the second set but had no difficulty in

enthusiastie as Edberg's. Muster, the No. 14 seed, beat French qualifier Thierry Guardiola, 6-3, 7-6 (7-3), 6-2, and said, "I was the better player, but I prohably could have been more aggres-

Two seeded players were eliminated. Wayne Ferreira, No. 11 and a semifinalist here in 1992, lost to Aaron Kriekstein, 6-3, 6-7 (8-10), 7-6 (7-4), 6-3, in a threehour match. And No. 16 Richard Krajicek

was surprised, 7-6 (7-5), 6-4, 6-3, hy Marcos Ondruska of South Africa. Ferreira made an incredible 100 unforced errors to 29 by Kriekstein and lost despite hitting 71 winners to just 23 hy the American baseliner,

"I'd beaten him all three times coming into the match so I felt pretty good," Krickstein said, "But I put in the work. I'm in as good a shape as anyone in this tour-

on the next downwind leg while Mahan-

ey's crew set a small one. Cayard gained back half the distance before Mahaney

ordered a sail change to match the big

From that point on it was nip and tuck,

with Mahaney dictating terms from ahead

and Cayard forcing the action from astern.

pushing to as near as one or two boat

On the challengers' course, Team New

Zealand found what little wind there was

by hoisting a crew member up its hundred-

Murray Jones, a member of the after-guard, remained aloft for two-thirds of the

race. He said later, jokingly, that he would

be checking to see if his contract included

South Africa vs. Pokister, First Day

BASEBALL
Americon Longue
CLEVELAND—Named Jock Muli couch et
Buffolo, AA; Gree Booker pitchine touch and
Joe Mikutik player-couch for Conton-Auran,
EL: Gordie MacKenzie monoper, Torry Arnold

Michigan coach, Dan Williams coach, and Teddy

Sections coach, Dan Williams coach, and Teary Slackwell Inviter for Kinston, Carolina Learne; Jeff Datz manager of Columbus, South Affeatic Learne; and Herry Spiriman manager of Burlinghon of the Appolachian Learne. OETROIT—Named Skeeter Barnes player-coach of Toleda, IL.) Rick Adeir pitching coach; and Leu Richey Indines.

KANSAS CITY—Named Gene Mauch

bench coech.

NEW YORK—Signed Doug Cinnelia, pilch-

MEW YORK—Staned Doug Cinnella, prich-er, to a miner tessue contract.

TEXAS—Kevin Brown and Jay Hawell, plichers, and Chris James and Gory Redus, authiciders, will not be offered contracts.

Montreal League
MONTREAL—Named Kevin Malane vice president and general manager. Signed Denty Boucher, pricher, to a minor-league contract.

SAN OIEGO—Named Jim Dreyer scoving

UTAH Activated David Benoir, forward, am the injured list. Piaced Jay Humphries.

ores supervisor for Texas.

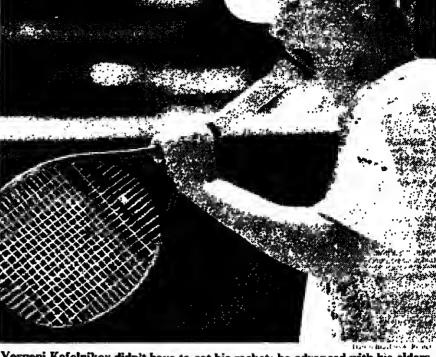
BASKETBALL

National Busketball Association

(WP, Reuters, AP)

mast duty.

lengths but never getting in front.



Yevgeni Kafelnikov didn't have to eat his racket; he advanced with his elders.

Patrick McEnroe, who in the first round sent Boris Becker packing, won again with a 6-3, 7-5, 6-3 defcat of Jeremy Bates of Britain on an overflowing Court 6.

"It was the first really hot day and a lot of players were struggling a hit," said McEnroe, who was treated for heat exhaustion after the match. "I felt the sun just beating on me."

McEnroe, winner of last week's New South Wales Open, lost in the first round of all four Grand Slams last year. Other winners included the rising Ger-

man star Hendrik Dreekmann - who beat Fabrice Santoro of France, 6-3, 6-4, 6-2, and now faces Edberg — and experienced Czech left-hander Petr Korda, who beat Lars Burgsmuller of Germany, 2-6, 5-7, 6-4, 7-6 (7-2), 7-5.

Guy Forget became another Frenchman to lose, by 6-4, 1-6, 2-6, 6-4, 6-3 to Jonas Bjorkman of Sweden.

The French Davis Cup captain, Yannick Noah, stormed off the grounds, furious with his countrymen after their miserable performances. Thursday's defeats followed the first-round loses of Cedric Pioline and Amaud Boetsch.

"It's one of the worst scenarios that we could imagine," said Noah, whose squad

plays the U.S. team in Florida in two weeks. "They are not ready. There is a problem with their preparation and their attitude. They're playing as if they were at a beach tournament. It's quite bad."

I cannot be satisfied because only Olivier Delaitre is still in the tournament." Noah said. "I will be talking to them tomorrow. Something is wrong.

Arantxa Sánchez Vicario, the women's top seed, hreezed along with a 6-2, 6-1 triumph over Tami Whitlinger Jones of the United States and now will play Zina Garrison Jackson

'l concentrated better and when I needed it I served well," said Sanchez Vicario. Jana Novotna, the No. 3 seed, recovered from a shaky start to beat fellow Czech and longtime rival Helena Sukova, 3-6, 6-3, 6-2, and served 10 aces in the process. She now plays Lisa Raymond of the United States, who ousted the last Australian survivor. Kristin Godridge, 6-3, 4-6. 6-3.

Kimiko Date, the No.7 seed who still is troubled by a stomach muscle injury, beat American veteran Patty Fendick, 6-4, 6-3.

*Compared to yesterday it was a lot less painful," Date said "I changed my ball toss, served at a slower pace and that

Young America.

Compiled by Our Staff From Dispatches

young in the America's Cup trials as

Young America, the undefeated defense

contender, held off an all-day attack hy

Dennis Conner's Stars & Stripes for an 18-

second victory in the closest race since the

Youth was served on both sides as Con-

ner turned over the helm to the next gener-

ation. With the 52-year-old, five-time Cup

skipper kibitzing, his beir apparent, Paul

Cayard, 35, steered a nearly flawless race

for Stars & Stripes but never managed to

reach the speed needed to slip past the

Cayard, who skippered Italy's 1992

America's Cup entry, is now part of Con-

competition began five days earlier.

SAN DIEGO - It was a day for the

SCOREBOARD O: Addison 9-16 3-3 22, Dumors 9-16 2-3 28, Reboords—Uton 55 (Malone 11), Detroit 52 NBA Standings EASTERN CONFERENCE New York Boston New Jersey Micani Philodelphi Washington Charlotte Cleveland Indiana Chicoga Alfanta Milwauke Delroil VESTERN CONFERENCE Phoenix Scuttle L.A. Laker: Socromeni Portland Colden Str WEONESDAY'S RESULTS

8L Defroil 25 (Dumors, Houston 71.

See Anthesia 27 23 28 30--118
25 5 38 14--111
S: Effect 6-17 -16 23, Robbirson 16-26 16-10 42;
C: Luchnson 1-17 4-5 24, Mourning 6-15 3-5 20.

Howkins 6-11 7-7 21. Rebounds—5an Antonio
S1 | Rodman 10), Choriotte 29 (Mourning 1].
Assists—Sen Antonio 28 (A.Johnson 9), Choriotte J1 | Boques 153.

LA Lesters.

18 27 25 30-165
publisses
28 22 25 21--166

LA. Lakers 18 31 25 38—165 indicate 21 32 32 22 21—166 L. Von Exci 18-215-6 30. Divoc 9-721-219/Li McKev 8-72 8-8 24, R.Miller 7-14 1-1 11. Reboonds—LA. Lokers 55 (L. ynch 8], Indicate 41 [O.Dovis 9). Audists—LA. Lokers 22 [Von Exci 18], Indicate 24 [Workmon 9]. Philodelphilo 24 [Workmon 9]. Philodelphilo 25 27 28 25—72 Affanta 15 18 24 23—86 P: Wortherspoon 19-20 4-11 24 25—17.

Exel 181, Indiana 24 (Workmon 7).
Palladelphia 26 21 28 25—72
Affanta 15 13 24 25—62
P: Weatherspoon 19-26 4-11 26, Barros 5-12
11-11 24; A. Smith 6-10 2-2 16, Corbin 7-14-9-015.
Rebounds—Philadelphia 57 (Weatherspoon 14), Atlanta 42 (Lang 7). Assists—Philadelphia 6.10-20-15. phile 9 | Barres 5], Atlanta 21 | Blavick 9].
Basten 28 | 42 | 24 | 25 | 24 | 21 |
B1 | Rodia 11-14 3-7 25, Douglas 6-9 5-6 | 12 | 24 |
B1 | Rodia 11-14 3-7 25, Douglas 6-9 5-6 | 12 | 24 |
B1 | Rodia 11-14 3-7 25, Douglas 6-9 5-6 | 12 | 24 |
B1 | Rodia 91 | 25 | 25 | Rebeats - Boston 47 | Rodia 91 |
B1 | Rodia 91 | Milami 44 | Willis 18).
Assists -- Boston 22 | Wilkins, Brown 51, Miami 28 | Coles 71.

28 [Coles 7].
Ortondo 32 27 19 36—186
Dellos 25 23 34 27— 97
O: Grant 7-13 1-1 15, O'Heal 17-25 3-13 42; O'.
Akashburn 13-25 1-2 29, Juckson 9-21 47 23.
Rebounds—Ortondo 43 (O'Heal 10). Dolkes 52
[Jones 19]. Assists—Ortondo 34 (Anderson 10), Dollos 35 (Juckson 7).
Allwookse 25 22 22 23—97
Chicago 39 27 18 18—93
Chicago 4-15 6-7 34, Baker 11-29 1-6 23;

Calcogo 38 27 18 18—73 M: Robinson 9-15 6-7 24, Boker 11-20 1-6 22; Calcogo 4-16 7-18 15, Kulsoc 7-14 2-7 16, Repended Allyhouskes 51 (Boker 12), Chicogo 50

LA Clippers 23 17 28 31—92 C: Mills 7-13 3-4 11, Brundon 6-11 1-1 13; L: Vought 9-16 1-3 13, Secty 6-13 7-8 25. Rebounds—Clevelanti 45 [Hill 9], Los Angeles 42 (Vought 9], Assists—Cleveland 13 [Brandon

Top 25 College Results

Young America Nips Stars & Stripes in Stirring Race

"If he isn't the best skipper in the world, I'd like to know who is," Conner said.

There were no surprises for the challeng-

ers, as Team New Zealand stayed well

ahead of oneAustralia to win by I minute,

36 seconds. It was the New Zealanders's

fourth consecutive victory and kept them

in the lead the Louis Vuitton Cup competi-

Light winds forced the postponement of

the race between Sydney '95 and the Tag

Heuer Challenge boat, and the one be-

tween Nippon and Rioja de España. They

The unpredictable winds also delayed the start of the defenders' race for about an

Young America upped its record to 3-0

while Conner fell to 1-2 m the opening

tion for challengers.

will be sailed Sunday.

3, North Careline | 13-1) beat No. 16 Virsinia

at Colorado, Saturday.

9, Arkansus | 14-31 beat Georgia 84-82. Next: State (11-2) beat Northwestern 73-56. Next: at

Next: at Okahama State, Sunday; 14 Virelinia 110-41 lest to No. 3 North Carolino 77-54. Next: vs. No. 23 Georgio Tech, Sunday; 24. Fierfel 18-5) bent South Carolino 71-57. Next:

at Termessee. Sunday. Other Major College Scores

Bucknell St. Lehiph 54
Colgale 81, Novy 67
Fordhom 69, Lefayette 62
Indiana 71, Penn St. 69
Minmi 81, Providence 75
Old Dominion 89, America Villanova 71, Pittsburgh 68

Floribla St. 67, Clemman 44

N. Carolina St. 77, Ouke 46

N. Carolina St. 77, Ouke 46

N.C.-Greensboro 77, Chorleston Souther
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Tennessee St. 78, Middle Tenn. 85

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SOCCERS

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Arsenal & Alitheell 2
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Bristol Ravers & Luton 1
Liverpool J, Bhratingham I
Liverpool wins 24 on penalties.
Alanchester City S, Notis County 3
Stoke 1, Bristol City 3
Tronmere 3, Bory S
West Bromwich Albino 1, Covenity 2 INTERNATIONAL PRIENDLIES

EAN FRANCISCO—Signed Darin Jordan, linebocker, Placed Anthony Peterson, line-bocker, an injured reserve. TAMPA BAY—Fired Floyd Peters, deten-HOCKEY

ANASELM—Signed Sieve Notetins Annual Lineschied Alexander SellTAMPA BAY—Recrited Alexander Sellvanow, right wing, from Chicago, IHL.
TORONTO—Called up Kenny Jorason, defensemon, from St. John's AHL.
WASHINGTON—Traded Kevin Halcher,
defensemon, to Dollas for Mark Thorus and
Block Month, determents.

ESCORTS & GUIDES

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ORCHIDS

Norman, at 64, Leads Couples by 1 in Dubai

DUBAI, United Arab Emirates - Greg Norman led Fred Couples by a stroke after shooting a first-round 64 Thursday in the Duhai Desert Classic tournament that opens the Europe-

an PGA Tour's season. Ernie Els, the U.S. Open winner and defending champion here, had a slow start but on the second nine rolled in five birdies for a 68

"I feel my game has matured and the had shots are not as destructive as they used to be," he said.

Norman hit a spectacular bunker shot of 183 meters at the 18th to set up his ninth hirdie.

"I had to make an adjustment during the morning as the very high humidity was burned off and the ball began to fly further," he said after hitting a 3iron across the water at the 18th

for a "simple" two-putt hirdie. "I've been working hard on my putting and trying to keep my eye on the ball a little while longer during the stroke," he

Couples got two birdies and an eagle on his first four holes of the back nine. Nick Price, the world's topranked golfer, was delighted

that his first round turned out to be a bogey-free 66.

"My first priority was to return a good solid round and anything around 70 would have been very acceptable." he said. An improved short game helped him save shots at the

first and ninth holes, though he felt he could have shot seven or eight under "I think I've picked up the

right game plan for this Classic," he said.

McLaren Denies Signing Mansell

WOKING. England -The MeLaren Formula One team said Thursday it is negotiating with Nigel Mansell but denied having signed the former world

ehampion for this season.
"We are talking to several drivers about filling the second seat and it is no secret that Nigel is one of them." McLaren's spokesman Norman Howell,

The Guardian newspaper reported that the 41vear-old English driver. who won the world championship in 1992, had signed a one-year. \$10.5 million deal with MeLaren last weekend.

Australian Open Second Round

Vincent Separa. U.S., det. Wayne Black. Zimbabwe, 44. 6-1, 6-1). Hendrik Dreekmann. Germany. del. Fobrice Sontoro. France. 6-3, 6-4, 6-2; Stefan Edberg 161, Sweden, del. Adrian Volnea, Romania, 6-3, 7-4 17-31, 6-4: Thomas Muster (14). Austria. del. Thierry Guordiala, France, 6-3, 7-4 (7-3), 6-2; Marcus Ondruska,

Franca, 6-3, 7-6 (7-3), 6-2: Marcas Ondrusko, South Africa, def. Richard Kralicek 1161, Netherlands, 7-6 (7-5), 6-4, 6-3.

Grey Rusedski, Canada, def. Nickles Kwill, Sweden, 7-6 [7-3], 4-6, 2-6, 2-6-3; Aaron Krickstein, 11.5, def. Worre Ferreira 111, South Africa, 6-3, 6-7 (8-181, 7-6 [7-4], 6-3) David Prinessi, Germany, def. Wally Masur, Australia, 7-6 [7-4], 6-3, 6-4; Pafrick Raifer, Australia, def. Steve Camabell, U.S., 6-4, 7-6 [7-1], 6-3; Patrick McEnroe, U.S., def. Jersemy Bales, Britain, 6-3, 7-5, 6-3.

7-5, 6-3.
Jocco Elitingh, Netherlands, del. Sebastien Lureou, Canada, 7-4 (7-4), 5-7, 7-4 (7-5), 7-5). Petr Karda, Czech Republic, del. Lars Burgsmuller, Germany, 2-4, 5-7, 6-4, 7-6 (7-2), 7-5; Yevpeny Katehlikov (10), Russia, del. Kanneth Carisen, Denmark, 4-6, 6-3, 6-1, 6-3. Todd Martin 151, U.S., del. Jean-Phillippe Fleurian, France, 6-4, 6-2, 6-3, 1006 Blorkman, Sweden, del. Guy Forget, France, 6-4, 1-4, 2-6, 4-6-3; Andre Agassi (21, U.S., def. Jerome Golmand, France, 6-3, 6-3, 6-1, Women's Sheples, Second Round

Women's Sheles, Second Round Angelica Gavaldon, Mexico, def. Joanneth Kruper, South Africa, 6-3, 6-1: Nooka Sawa Kruper. South Alrica. 6-3, 6-1: Nooka Sawomaisu, Japan, del. Lourence Courlots, Betolum, 6-4, 6-4: Marianne Werdel Wilmeyer.
U.S., del. Park Same-Ince, South Kor eq. 7-5, 6-3;
Lisa Raymond, LLS., del. Kristin Gooridee,
Austrollo, 6-3, 6-4, 6-3) Elena Makarova, Russia, del. Rodka Zrubokova, Slevakka, 6-0, 6-2.
Jono Navastna (3), Crach Republic, del. Helena Sukova, Czech Republic, 3-6, 6-3, 6-2; Sobine Appelmans, Beigium, del. Radka Bookova, Czech Republic, 6-2, 6-8): Korina
Hobsudova, Slovakka, del. Notalio Medvedeva, Ukraine, 6-3, 6-1; Melke Bobel, Germanv, del. Chanda Rubin, U.S., 4-6, 6-4, 8-7; Kimika Doile (71, Jopan, del. Patriv Fendick, U.S.
6-4, 6-3.

miko Dote (71, Jepon, del. Potty Fendick, U.S. 6-4, 6-3.
Zina Garrison-Jackson, U.S., det. Christina Singer, Germany, 6-2, 6-1; Barbara Paulus, Austria, del. Audra Keller, U.S., 4-3, Mary Joe Fernandez 1111, U.S., def. Linda Harvey-Wild, U.S., 7-4 (7-5), 7-5; Amandis Coetzer, South Altrica, def. Rusandra Dragomir, Romania, 6-4, 4-6, 6-4; Lori Accell (15), U.S., def. Silka Aleier, Germany, 7-6 (7-4), 6-1; Arantxa Sanchez Vicaria (11, Spain, def. Tomi Whitlinger Jones, U.S., 6-2, 6-1.

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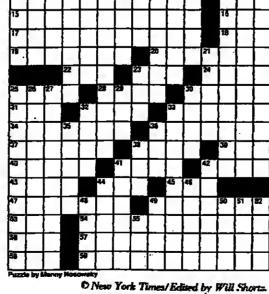
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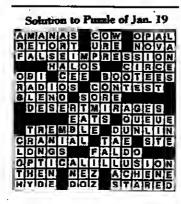
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The Vital Paupers

By Russell Baker

NEW YORK - There is 1 N probably no solution to the welfare problem. It is the inescapable product of an economic system with which the powers

that be are quite content.
This is why poliucians and social planners are limited to tinkering with the going welfare pose? system. Attacking the problem at its root would mean admitting it is rooted in the structure of American capitalism.

Nobody in public life wants to concede any shortcoming in that structure. That's why poliucians calling for welfare reform sometimes seem to be talking nonsense. For instance:

The health of the American economy obviously depends on keeping a percentage of the work force unemployed. The Federal Reserve Board sees to this by constantly raising interest rates to prevent the econo-

my from "overheating."
Among other things, "overheating" means fewer out-ofwork people looking for jobs. This is said to make wages rise and promote inflation. Inflation is now widely considered one of the greatest perils facing the American economy.

By raising interest rates, the Fed's economic wizards choose the lesser evil: Better to keep people unemployed than open the door to Ole Devil Inflation. fn sbort, the system requires a degree of permanent unemployment to stay healthy. Something around 5 percent seems to be just about right.

The economy's need for un-employment is gratified not just by the Fed's police work, hut also by the existence of a marginal class of people highly qualified to be out of work.

The chief qualification, of course, is lack of education. America is rich nowadays in lack of education. It abounds not merely in the profoundly

hopeless ignorance of the high-school student who can't read, but also in the sadder ignorance of smart-enough people whom dismal schools leave unfit for the technological and professional jobs that pay off in this

age of sedentary labor. What do our leaders pro-

To make welfare recipients go to work. The absurdity of this work-or-do-without theory is surely obvious to the politi-

Yet what can the poor politi-cian propose as reform? Obvi-ously something is wrong in Welfare World. With the working classes in an uncharitable lather about paying taxes to keep the nonworking class afloat, politicians cannot just stand there. They must do something.
What a pickle for a pol. Can

he say. "The welfare mess exists because our hasic economic system demands that we have mess-making people living in society's margins'

So we have this tinkering, which cannot do much about the welfare problem except to buck it back to the states, or counties, or towns, which can't cope with it except by courting hankruptcy or practicing cru-

A few politicians are talking about federal job-training pro-grams and improving education. This approach rests on Andrew Undershali's theory, propounded by George Bernard Shaw in "Major Barbara," that a well-paid citizen working in a factory that makes weapons of war is better for world peace and stability than a pauper taking handouts from the Salva-

tion Army, That theory founders, however, in a system whose health demands a goodly supply of

paupers living on handouts. New York Times Service

On Record, Big Cheese's Acid Jazz Menu

By Mike Zwerin

PARIS — The triumvirate running Big Cheese Records is a picture postcard of the federalist image of Eu-

rope - Yamani Dazi, an Algerian Frenchman; Fred Moyal, an Italian Jew, and the Englishman Simon Hoare. Their latest compilation CD, "The

Menu" ("10 fresh slices à la carte"), presents acid jazz bands from France. Britain, Italy and Switzerland with names like Schkoonk Heepooz, Walk Tall, Malka Family, Taudi Symphony and Ouintetto X.

Talk about combining '60s and '70s funk and jazz with cutting-edge hip-hop recording technology has so far been more interesting than reality. Socalled acid jazz (neither a hetter nor less arbitrary name than bebop) tends to run out of steam after about three tracks. Based in Maisons-Alfort, a suburh of Paris, Big Cheese, a division of Le Fromage Productions, is betting it will mature. They are releasing albums and getting them distributed, printing logos on decals, baseball caps and T-shirts, handing out flyers and pasting up concert posters while confederating with their likes — La Dolce Vita in Switzerland, Right Tempo in Italy, Creative Vibes in Australia, Groove Attack in Germany and Giant Steps in New York Steps in New York.

Simon Hoare met Yamani Dazi, pro-fessionally known as DJ Momo, four years ago in the latter's record sbop in Montparnasse, which was selling most-ly 33 RPM viryls. They worked clubs together as DJs and still do it from time to time (now playing a lot of acid jazz). But the clubs keep closing. "Politically, Paris is becoming very right-wing."
Hoare says. "They're clamping down
on minorities." This music appeals principally to minorities.

The 27-year-old Hoare gives the impression of being what used to be called a nice young man. No ponytail, no earring, all ears, taking care of husiness with a genuine smile, he ex-plains that Big Cheese is a nonprofit association because "it's easier, cheaper to set up, less paperwork and law-yers, and people relate to us better. We pay salaries and the artists and all that, but our principal aim is cultur-



Cheese's chiefs, from left: Yamani Dazi, Fred Moyal and Simon Hoare.

He is pleased to point out that the three directors could not be working together legally without the European Union and that he doesn't even need a residence permit. They release about a record a month and ship to most of their markets without customs charges (500 or so copies of each release are exported to the United States, not yet strong a market as Europe).

"Up to now we've basically been learning the business." Hoare says, "because it is a business. It's not about, 'Oh goody, we love music, let's put this out and see what happens.' I don't like the word 'product' but you have to learn how to sell whatever you call it."

Big Cheese employs six in Paris, two in London and one in Switzerland. They are just getting some mo-mentum selling promotional material, where the real money is made, "Record sales do not amount to much, it's everything around it." Hoare shrugs, not visibly depressed by it: "Record-bags, hats, T-shirts — we're doing our own publishing and promoting Big

Cheese concerts as well. The whole

package is what's interesting."

They press about 3,000 copies of each release on 33 RPM vinyl for DJs, roughly one-third of an estimated total of 10,000. The LP is alive, if merely a cult, in the digital age. They are trying a new format — disks with more tracks than a single but fewer than an album and priced accordingly. Hoare calls it "a good transitional format for new artists."

With the LP and then even worse on the CD musicians have been encouraged to make more music than their ideas warrant. (There is a certain amount of nostalgia for three-minute 78 RPMs.) Nobody's been able to figure out what to do with a single release on CD. Putting out three- or four-track mini-LPs by 10 artists. building acceptance slowly until they mature. Hoare is trying to get a buzz going, to get the logo into people's heads without investing "stupid mon-

The music ousiness is full of would-

15 120 Good Some Pwdr 19:1 11:16 Ms best above 2000m

be musicians who discover that they are better at organizing, motivating people and handling money. Turning their creativity someplace else, they can develop into valuable advisers. Chris Blackwell of Island, for example. With technology advancing, musicians are becoming less musical and businessmen more technical and the roles have begun to meid.

Growing up in London, Hoare had his own drum set by the age of 14. He played with a local band that was signed to Virgin for a minute. After two years, there was the "inevitable internal dispute. The usual thing, when the money comes in arguments start." Anyway, Hoare had come to the conclusion that he was not professional drummer material. He loved the energy drummer material. He loved the energy involved but decided to "stuff that and get my head together in Paris." His role in life was "to help real musicians have a go at it." He studied international business before starting one:

"We decided to try and do it another way; amongst friends, but at the same time be professional about it. Our first temperature was almost for fur. Just

compilation was almost for fun. Just like that. The reaction was amazing. We realized that there was something worth doing here. There was a sort of natural window. The press was great. Maybe my being English helped, peo-ple still tend to look towards England

with this sort of music. "We try to work with people we like and trust. We set up structures and sign contracts and make sure everything is clear. They're friendly contracts but you're asking for trouble if you do business only on trust. Two years ago everybody told us that starting a business in the middle of a recession was all but impossible. But we're living off it, we eat. Some days business is hell, but we're basically still having fun. Mostly it's about meeting people and I like that. I like dealing with musicians. One problem is that we don't really have

any well-known artists yet."

Currently, Big Cheese is looking for "that mythical venue, a club that apparently cannot exist but we would like to find one anyhow. We want to DJ, organize and promote a club like we did when Momo and I started out. Do it with live bands too now. Something more organized, but still very underground. Word of mouth."

PEOPLE

Parker Bowles Granted Uncontested Divorce

Camilla Parker Bowles, who has been linked romantically to Prince Charles, was granted an [1] from her busband. Brigadie Andrew Parker Bowles. The couple said in a joint statement earlier this month that they had jointly agreed to the split Charles and Princess Diana formally separated in December 1992, but their attorneys say they have not discussed divorce

Scores of directors, actors and movie lovers flocked to a threeday conference in Rome in hon-or of Federico Fellini. Fellini. who died on Oct. 31, 1993 would have been 75 on Friday, when an exhibition of his work opens in Rome before going to Germany, the United States, Britain and Japan. "I find it hard. to believe there won't be any more Fellini films," the director Martin Scorsese said in a videotape address to the conference.
Without his magnificent presence the world seems a little smaller, a little grayer."

The Academy of Motion Picture Arts and Sciences will pre-sent Clint Eastwood with the Irving G. Thalberg Award for "consistently high quality of motion picture production."

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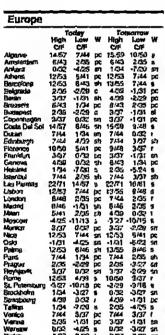
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Billy Joel, on tour in Japan, is giving some of the proceeds from his two Osaka concerts to victims of the earthquake. Joel was asleep at the Osaka Hotel Plaza when the quake occurred and was not hurt.

Boston College has bought the blibrary and personal archives of the late Graham Greene for an undisclosed sum. Bloomsbury Book Auctions of London said the John J. Burns Library of the college bought more than 300 books and 60,000 personal papers. Proceeds will go to support the writer's sister. Elizabeth

WEATHER



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North America Snow and furniss will occur from the interior Northeast through the Great Lakes over the weekend and early next week. Coastal preas will have a few snowers and fur-nes. Flain will fall along the West Coast, but it will stay A storm centered near los-land will bring wind and episodes of rain from the U.K. 10 Scandinavia and also extend into Japan. por from France to the Nether-lands Inland sections of scandinava will have stown for them Philippines ma

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Secul	2/35	-6422	DO	154		
Sharighali	9/48		pc	11/52	8146	
Skingepore	29.84	23/73	t	29,84	23/73	
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WEEKEND SKI REPORT

							W EEREM	SIXI IU	4	2	11.	L 			
nose				Res. Pistes	Snow State	Last Snow	Controls	Resort	De L		Mts. Pistos	Rea. Pistos	Snow		Canamata
ndorra as de la Casa oldeu	70 50	90 90		Open			Nost has open latteng winds Prises remain in good shape	Cortina Courmayeur Selva Sestrière		55 70	Fair Good Good Good	Open N/A Open Open	Var Var	19/1 19/1	35.40 Ms open, good sking 21/23 Ms. Bücm snow at 1700m 76:78 Mis open at 1400 gerdens Much interoved conditions
ustria chgi tzbuhei bergurgi	70 1 65 1	25 40	Good	Open	Parts Var	19.1	All 41 little suberts prate skung All 64 lifts open, fresh snow cover 21, 22 kits, great pase skung	Morway Geilo							All 18 litts open, good skiing
Anion	80 1 75 2						Fresh snowfall along conditions 34-35 lifts open excellent slung	Speks Bequeira Beret	1151	45	Good	Open	Ver	18/1	All Mis and pistes open, good
hister	99 2	65	Good	Cpen	Dwdr	19 1	All litts open_excellent isking	Switzerland					•		
rance pe d'Huez ⇒ Arcs ronaz namonix ourchevel ss Deux Alpes egeve aribel	110 2 110 1 65 3 100 2 65 2 75 1 70 7	45 75 40 50 50 75 60	Good Good Good Good Good Good Good	Open Open Open Open	Pwdi Var Var Var Var Var	19 1 19 7 19 7 19 1 19 1 19 1	69 82 lifts open good sking 68 79 hits open tresh snow 39 41 lifts, great piste sking 41 48 lifts open wonderful sking 64 68 lifts open great piste sking 35 63 lifts open, great sking 39 41 lifts open, lovely piste sking 41 filts open, lovely piste sking	Arosa Crans Montana Davos Grindelwald Kiosters St. Moritz Verbier Wengen Zermatt	125 2 100 1 35 1 80 1 70 1 55 3	45 45 40 40 30 10	Grod Good Good Good Good Good Good Good	Open Open Open Open Open Open Open Open	Ver Ver Ver Ver Ver	19/1 19/1 19/1 19/1 19/1 19/1	All 16 lits open, excellent sking 41 + 43 this open, very good sking All 12 lits open, great sking All 12 lits open, excellent sking All 29 lits open, excellent sking All 61s, good sking et levels 36 - 39 lits. L40cm at 2000m All 22 lits open, good sking 59 / 73 litts at Zernatu/Connel
i Plagne arre Chevalier gnes il d'Isère il Thorens	40 1 115 1 95 3	10 90 65	Good Good	Open	Pedr Var Pedr	19 1 19 1 19 7	100-112 lifts obert good skirig 57-73 lifts good skirig, all levels 42-50 lifts stong winds all allitude 50-50 lifts open great skirig Good skirig on all pistes	U.S. Aspen Crested Butte Manmoth Steamboat	315 4	85 05	Good Pwdr	Open	Pwdr Pwdr	18/1	All 5 lins upon All 13 lins open 27/30 lins open
emiany emisch	45 2	85	Good		Var		35 39 kits open good skiing	Telluride Vail	140 1 130 1 100 1	35	Good	Open	Pwdr	18/1	All 20 litts open All 10 litts open All 25 litts open

key L.U Depth in om on lower and upper slopes. Nith. Plates Mountainside pestee, R Plates Runs leading to recont village, Art.Artificial snow. Reports supplied by the Sir Club of Great Bri



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